

Creating a Giving Program

A GUIDE FOR SMALL AND MID-SIZED COMPANIES



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Creating a Giving Program

A GUIDE FOR SMALL AND MID-SIZED COMPANIES

The Calgary Foundation's **In Good Company** program encourages Calgary businesses to engage in philanthropy, and helps them do that by:

- Creating resources like this guide to help you as you develop your business's corporate giving program, and
- Connecting you to other business people and organizations—both peers and mentors—through special events.

Calgary Foundation staff are available to you as you develop your business's giving plan, and will direct you to professionals working in the field of corporate social responsibility should it be necessary.

This booklet is also available from The Calgary Foundation website at www.thecalgaryfoundation.org.

Many business leaders have discovered that a well thought out giving program can help support their corporate mission, and even improve the company's bottom line.

Doing Well By Doing Good

Whether you currently handle requests from community groups on a case-by-case basis, donate more products and services than cash, or have not yet set up a giving program, this booklet can help your company learn to give effectively.

A giving program can include direct cash gifts by your company, loans of employee talent to nonprofit organizations, a company-sponsored foundation – or any combination of these and other options. A company's giving program is typically over and above its participation in its local United Way or other workplace giving campaign.

This booklet will help you choose the options that are right for your business. It will take you through the basic steps of creating, organizing, and improving your giving program, and refer you to other resources that can help you take advantage of this potentially powerful business tool.

Just like private individuals, many companies give to their communities because it is simply the right thing to do.

Many business leaders have discovered, though, that a well thought out giving program can help support their corporate mission, and even improve the company's bottom line.

A business can do well by doing good. The bottom-line benefits of giving are far-ranging and include:

- Enhanced reputation and standing in the community
- Greater customer loyalty
- Competitive advantage in attracting and retaining employees
- Increased positive name recognition and brand awareness
- Closer relationships with community leaders and officials
- Leadership development opportunities for employees
- Beneficial business-to-business relationships with non-profits

- A reservoir of goodwill within the community that can serve a company in a time of crisis
- Improved internal communications and sense of common purpose
- Exposure of staff to new ideas, points of view, and important social movements
- Healthier, more livable, and economically stronger communities

If some of your company's goals are on this list, this publication is for you.

Giving Wisely

Some companies' giving is based on the old model of "checkbook charity" – simply writing cheques for good causes. For some companies, that model has shifted in recent years to giving programs that tie donations of time, money, and gifts-in-kind to defined business goals and desired benefits. Small and mid-sized companies have reaped the market share, human resource, and public relations advantages that this approach offers.

Other companies see a clear connection between their health and the health of the communities in which they do business. Corporate giving in this case is not just a matter of conscience: it is also a matter of understanding the congruence of business and community goals.

Whatever your giving philosophy, this booklet offers you a framework for developing a giving program that will be beneficial to you, your employees, and your community.

This booklet will help you decide where to give, what to give, and how to give wisely.

Small and mid-sized companies have reaped market share, human resource, and public relations advantages from their corporate giving.

Focus Your Giving

The first thing you need to do is decide what you want your contributions to accomplish. One way to do this is by determining where your company's interests intersect with those of the community. This area of mutual interest is a natural starting point for developing program goals. By designing a program to meet specific goals and objectives, you will have a program that is proactive instead of reactive – one that goes beyond simply responding to requests.

Small and mid-sized companies usually focus their giving programs on a particular segment of a community or specific needs that cut across the entire community. These needs generally fall into certain broad categories, including health and human services, education, the environment, and the arts. Focused giving enables a company to make the greatest possible impact with its dollars.

Here are some questions to consider in determining your program's focus:

- What are your current business interests?
- What are your future business needs?
- What role does your company want to play in the community?
- What are your employees' interests and what causes are they committed to?
- What area of your community or who in the community is most affected by your business?
- What community issues are likely to affect your business and/or employees?
- Where do your employees live? Where do your customers/clients live?
- What do you want your company to be known for?
- Whom are you trying to reach?

Here are a few examples of how small and mid-sized companies might match their business activities and needs with their corporate giving programs:

- A furniture manufacturer with a strong interest in conserving timber resources funds community projects dedicated to protecting the environment and environmental education.
- A grocery store provides funding to day-care centres in the area after a survey of customers finds day-care to be one of their key community concerns.

A company can make a greater impact with its dollars by focusing its giving.

Your giving program can produce returns for your company while also improving the quality of life in the community.

- A children's footwear company supports local programs involving children.
- A travel agency offers free emergency transportation assistance to needy families with sick relatives who live elsewhere.
- A small Internet start-up company creates a Web page to post volunteer opportunities in its local community.

Regardless of where you focus your giving program, it makes sense to complement your company's corporate culture and business interests. This way, your giving program can produce returns for your company while also improving the quality of life in the community.

Draft a Mission Statement

Your company's giving focus can be captured in a mission statement that concisely describes the goals and giving areas of your program. The mission statement can be posted on your website, listed in your giving guidelines (see page 10), and included in your annual reports. Examples of corporate giving mission/policy statements can be found in Appendix 1.

Establish a Giving Budget

Most companies use one of two approaches to determine their giving level.

Percentage of pre-tax net profit

Base your giving budget on a pre-established formula calculated as a percentage of pre-tax net profits. The average for small companies is around one percent; however, budgets sometimes range as high as ten percent or more.

Past experience adjusted for profitability

Develop an annual giving budget that becomes part of the corporate financial plan. In formulating the budget each year, companies take into account issues such as:

- Requirements of program strategy and plans,
- Current revenue and profit projections,
- Availability of other resources,
- Internal competition for resources, and
- Spending patterns of other companies in this area.

Decide How To Structure Your Giving

*There are a
number of ways
a company can
make cash gifts.*

Options for Cash Contributions

Most companies make their cash donations in one or more of the following ways:

Direct giving program

This is a program operated and controlled by the company. It is funded directly by the company. If the company makes a gift to a registered charity the company will receive a charitable tax receipt and the company should be entitled to deduct the amount of the gift in computing its taxable income, subject to certain limitations. When the company gives money to a charity and expects to receive a benefit in return (for example, the company logo on signs, or advertising), the company is considered a sponsor rather than a donor and the charity cannot issue a charitable tax receipt. The payment for the sponsorship will be deductible as an ordinary expense of the company. For more information on what qualifies as a gift to a charity, see Canada Revenue Agency's booklet "Tax Advantages to Donating to Charity" (Publication Number: 4142(e) Rev. 02).

Company-sponsored foundation

This is a legal entity separate from the company. It is funded primarily by the company. In keeping with Canadian law, it has its own bylaws and governance structure. A company that wishes to establish a corporate foundation should seek legal and tax advice to ensure the foundation will meet tax and other legal requirements imposed on such entities. For more information about starting a corporate foundation, see Appendix 2.

Fund at a community foundation

Under this option, the company sets up a fund within a community foundation. Depending on the type of fund, the company may have the opportunity to recommend eligible recipients for charitable grants from the fund. For more information about community foundation funds see Appendix 3.

A direct cash gift is the most common type of contribution companies make. In general, under Canadian tax rules, a corporation is entitled to deduct the least of the following amounts in computing taxable income for a year:

1. The total fair market value of the corporation's gifts to a registered charity or other qualified organization in the year or in any of the five preceding taxation years (to the extent the corporation has not claimed a deduction previously relating to any portion of the gifts and assuming that no advantage is conferred on the corporation in respect of the gift).

2. The corporation's net income for the year for income tax purposes.
3. Seventy-five percent of the corporation's net income for the year for income tax purposes plus 25% of:
 - i) any taxable gain or
 - ii) any recapture realized by the corporation as a result of making a charitable gift.

There are three basic kinds of gifts you can make to charitable organizations:

Unrestricted gifts

Your company's donation goes into the charity's general fund and can be used for any purpose they choose – programs, operations, administration or other activities.

Restricted gifts

Your company earmarks the money for a specific purpose or program.

Capital gifts

Your company makes a donation for construction, renovation, purchase of property or the building of an endowment.

You should consult with your tax advisor to ensure any gift your company makes with conditions attached to it will still qualify as a charitable gift for income tax purposes. Canada Revenue Agency offers more information about this in their booklet "Tax Advantages of Donating to Charity" (Publication Number: RC 4142(E) Rev. 02).

There are several techniques you can use to increase the impact of a small giving budget.

In addition to these options, there are several techniques you can use to increase the impact of a small giving budget while encouraging giving from employees and other sources:

Employee matching gift program

Your company's giving program matches employees' donations to charitable organizations. Matches are usually dollar-for-dollar. There are usually set limits on the amount the company will match for each employee each year, and on the types of qualified, charitable organizations the company will support.

Employee volunteer recognition program

This giving program makes cash grants to organizations where employees volunteer a certain amount of time.

Options for Non-Cash Contributions

Businesses can make in-kind contributions of products, supplies, property or even excess inventory.

Challenge gifts

The company makes a gift on the condition that the recipient raise funds from other sources, usually within a certain period of time. The company might require, for example, that the recipient raise an amount equal to the amount of the company's gift. (This is sometimes called a "matching gift.")

There are several ways your company can support causes and organizations in addition to cash grants. Usually, these activities are part of a company's direct giving program. By including non-cash giving options, your company can better achieve its program goals and meet more community needs than by giving cash alone.

In-kind contributions

These can consist of products, supplies, property or excess inventory. They can also include services such as printing, website development and use of meeting rooms. In-kind gifts are generally tax deductible within certain limits. There is an income inclusion equal to the fair market value of the property gifted. The donation of services is not eligible for a charitable receipt. However, a charity can pay for the service and then the company can donate the payment of the service back to the charity.

Loaned talent

You may offer employees' time and expertise, allowing them to help an organization on company time. Employee "loans" can be either for single events or projects, or on a regular, longer-term basis. This type of contribution provides non-profits with expertise to which they would not ordinarily have access, increases your employees' leadership skills and understanding of community needs, and can often raise the company's standing in the community. The company will not be entitled to a tax benefit for loaning an employee.

Employee engagement

Employee engagement opportunities may include encouraging workplace giving through United Way and other campaigns, sponsoring company teams in fundraising walks and runs or encouraging employees to volunteer in a company-sponsored initiative. You may or may not decide to link employee volunteering to the fulfillment of company business goals; many small companies simply encourage employees to volunteer in their communities.

Managing Your Program

Designate a Contact Person

An effective giving program has specific written internal guidelines for handling documentation, decision-making and responses. This reduces time, effort, and costs, and eliminates confusion both inside and outside the company.

The President often delegates the day-to-day management of the giving program to someone else, referred to here as the company's "community investment officer." The community investment officer might be the President's executive assistant, a member of the company's human resources or marketing department or some other person in the company.

The President will need to be accessible to the community investment officer, be available as a company spokesperson and stay involved in monitoring program activities. Whatever role the President assumes, his or her commitment is absolutely vital to the program's success.

Decide Who Decides

Many companies create an advisory committee to make funding recommendations. This participation spreads the ownership of the giving program among your staff and encourages internal communication and commitment.

At some companies, the community investment officer makes all the funding decisions. At others, a committee of executives or a group of interested employees reviews requests and determines which to approve or deny.

If there is more than one business site, you might think about how to involve all facilities in the decision-making process. You might decide to involve representatives from each of the sites on the giving committee or give autonomy to local sites to establish their own giving programs and budgets.

If you are establishing a corporate foundation, it must have a board to oversee the foundation, set policy, and appoint officers. The foundation board or committee is accountable to the President and/or the company's board of directors. (For more information about corporate foundations, see Appendix 2.)

Involve Others

Many companies create an advisory committee to make funding recommendations. The size of the committee will depend on your situation – your objective is to get broad representation and experience from within the company. This participation spreads the ownership of the giving program among your staff and encourages internal communication and commitment.

Committee responsibilities usually include:

- Attending regular meetings (monthly, quarterly, or semiannually) to review and recommend projects,
- Identifying prospective recipients,
- Conducting site visits to prospective grantees,
- Communicating with applicants and grant recipients, and
- Providing informal advice to the President and community investment officer.

If you have elected to structure your giving through a fund at a community foundation (see page 6), some of these responsibilities will likely fall within their scope of services. For instance, the community foundation might help you identify prospective recipients, arrange site visits, and handle applicant communications.

Establish Written Guidelines

Written guidelines define the requirements for company support and communicate the program's goals and objectives.

Written guidelines define the requirements for company support and communicate the program's goals and objectives. They help ensure that your company will receive only appropriate requests. They enable you to decide whether or not the programs you currently support or are considering supporting are consistent with your company's stated giving goals.

Guidelines for most small or mid-sized companies usually have two sections: The **giving policies** or criteria for selecting programs to support, and the **application process**.

Guidelines should be brief and specific yet flexible enough to meet emergencies or take advantage of unforeseen opportunities.

Giving Policies

The decisions you make about your program during the planning step – the what and whom your program will support and for what purposes – will result in your giving policy. Often, the giving policy is a general statement supported by specific guidelines addressing the following issues:

Location: Do you require a recipient to be active in a particular geographic area? For example, you may choose to focus on the communities nearest company headquarters or include the areas around all company locations. Or maybe you will want to focus on the areas where most of your employees live.

Your company's resources are being distributed and you want to be sure they will be used wisely.

Type of Organization: Do you fund organizations carrying out only certain types of programs or serving certain populations, such as youth? Are there organizations your program will not fund?

Type of Requests: Many guidelines state the type of grants made (e.g. restricted versus unrestricted awards – see page 7) and also include a list of items the company will not give money for, such as gifts to individuals, or money for travel and conferences. You may also want to make it clear you will only consider requests made in writing.

Tax Status: Many direct giving programs and most foundations require recipients to be a registered charity. However, you may also want to support not-for-profit organizations and other community groups. You should consult your tax advisor if you are giving gifts to groups that are not registered charities, as such gifts are treated differently under Canadian tax rules.

Resources: Detail the giving program's available resources: money, in-kind services, loaned talent, use of corporate facilities, employees' volunteer efforts, etc. If your policy has a limit on the size of monetary awards, you may want to include it here.

Time Frame: Let people know when and how often you make giving decisions. Requests for in-kind services may be accepted at any time during the year, for example, while monetary grants may be made only twice or three times annually. As always, this will depend on your company's plan and resources.

Application Procedure

Your company's resources are being distributed and you want to be sure they will be used wisely. Use your application process to help determine a candidate's organizational soundness and fiscal responsibility, as well as to identify recipients that help you meet your objectives. As with your guidelines, keep the application procedures specific, brief, and simple.

To get basic information about the applicant, you may develop a questionnaire or an application form or ask for a brief, two-page, proposal or letter. Additional information, such as financial statements, a list of board members and proof of charitable registration can be submitted as supporting documentation. Examples of corporate giving guidelines can found in Appendix 4. You can likely get samples of application forms from websites of companies who participate in the Canadian Centre for

Philanthropy's IMAGINE program (www.imagine.ca) and from your local community foundation.

Here is some of the basic information you might want to request from applicants:

Who: Legal name of the organization; address, telephone number, fax number, and e-mail address of the organization; the name of the contact person; background and purposes of the organization.

What, How, and When: Description of the program or activity for which resources are being requested. What need does it meet? Who is served/helped? What are the qualifications of the staff? How will results be measured? What is the timeline for the program or activity?

Assistance Requested: Specific amount of money or other resources being requested.

Project Budget and/or Organization Budget: Who else is supporting the activity or organization? How much are they contributing?

Communicate Your Giving

You'll want to tell community and business leaders, the community-at-large (including your customers) and potential recipients about your giving program.

As soon as the contact person, giving policy, and application procedures are in place, start getting the word out. Begin with your employees. Use whatever internal communication mechanism makes sense – e-mail, internal memo, company newsletter – to provide all employees with the policies and guidelines before making any public announcement.

You may also want to post your giving guidelines on your website (if your company has one). This can save staff time otherwise spent mailing guidelines to interested organizations.

Develop a communications plan that makes sense for your company. Your plan should include target audiences, key messages and ways to deliver those messages. Be sure it includes a handout explaining the program and its guidelines – something you can give or mail to people. Your plan should be comprehensive, including both your kickoff activities and ongoing events.

In addition to your employees, you want to reach significant leaders in business and the community, government officials, the community-at-large (including your customers) and potential recipients. You might distribute a media release or have a

Monitor your giving in a way that makes sense for your company and your program.

news conference announcing your giving program or its first grant, or you might get employees together in a publicized volunteer effort at the outset.

Remember, there will be ongoing opportunities to remind both internal and external audiences about your program – when you make grants, when your employees are involved in the community and when a recipient does something warranting attention.

Also decide how to respond to applicants you decide not to support. While a company need not explain its decisions in any detail, it is common to respond in writing to any personalized letter of request. Here is one simple message for denying a request for support: *“We receive many requests for support and, unfortunately, our limited budget does not enable us to support every organization that requests our help. Thank you for the opportunity to become better acquainted with your organization and its needs.”*

Monitor Your Giving

Set up a system of monitoring that makes sense for your company and your program. While keeping this as simple as possible, you want to know the impact your support has on those receiving your resources. There is a range of monitoring options, including site visits by members of the giving committee and reports from recipient organizations. The information you gather helps you evaluate the success of your giving program.

Keep Records of Your Giving

Generally, the records you need to keep are those that support the information included on the company’s tax return.

With respect to donations made, you need to be able to show that the funds were used for a charitable purpose. Normally, this means keeping on file the organization’s application, some proof of their charitable registration, correspondence, a copy of the charitable receipt provided by the organization, a gift agreement letter (if you used one), and any reports you require of the recipient.

If your gifts are being made through a fund at a community foundation, you need to keep on file only information related to your donation to the community foundation. The foundation is responsible for maintaining records to support grants made to specific charities.

Whether you are now ready to put some of these practices into effect to strengthen your giving program or still have questions, here are some places you can turn to for guidance.

Local Resources

The Calgary Foundation

The Calgary Foundation's **In Good Company** program encourages Calgary businesses to engage in philanthropy. The Foundation helps do that by creating resources like this guide to help you develop your business's corporate giving program, and by connecting you to other business people and organizations—both peers and mentors—through special events. Calgary Foundation staff are available to you as you develop your business's giving plan, and can direct you to professionals working in the field of corporate social responsibility should it be necessary.

The Calgary Foundation

#700, 999 – 8 Street SW, Calgary, Alberta T2R 1J5

Phone: (403) 802 7700 Fax: (403) 802 7701

Email: donations@thecalgaryfoundation.org Website: www.thecalgaryfoundation.org

United Way of Calgary and Area

Strategic Giving Group (SGG) of United Way of Calgary and Area provides community investment consulting to companies and individuals, helping them to align their investment strategies with their business priorities or personal passions, and the needs of the community.

Strategic Giving Group can help determine employee interests, identify social programs that reflect company goals, create partnerships with community organizations, and measure the impact of your giving program.

Whether you are just formulating your community investment strategy or need a comprehensive review of an existing program, SGG can help.

United Way of Calgary and Area

Strategic Giving Group

Suite 600, 1202 Centre Street SE, Calgary, Alberta T2G 5A5

Phone: (403) 231-6265 Fax: (403) 266-1271

E-mail: uway@calgaryunitedway.org www.calgaryunitedway.org

Calgary Workplace Volunteer Council

Formed in 1991, the Calgary Workplace Volunteer Council (CWVC) explores better ways to respond to the needs of the community by creating opportunities for businesses and nonprofit agencies to work side by side. Under the leadership of Volunteer Calgary, nearly 20 local companies collaborate to share information, address issues and identify solutions—helping enhance the community through volunteerism and community investment.

Member meetings and annual events provide opportunities to network, discuss sector issues, hear from guest speakers, and explore opportunities for future development. A members-only e-bulletin provides current industry information. The CWVC library at Volunteer Calgary is also a valuable resource of research, samples and case studies.

Calgary Workplace Volunteer Council
Suite 1170, Kahanoff Centre, 1202 Centre Street SW, Calgary, AB T2G 5A5
Phone: (403) 265-5633 Fax: (403) 265-8981
Website: www.volunteercalgary.ab.ca/CWVC/

National Resources

Imagine, an initiative of the Canadian Centre for Philanthropy

Imagine is Canada's national program to promote public and corporate giving, volunteering and support for the community. Imagine sets benchmarks for business leadership and works to encourage and promote collaborative partnerships between business and non-profit and charitable organizations.

Started in 1988 and recognized internationally for its success, Imagine set a benchmark for corporate giving of 1% of pre-tax profits. This led to an increase of more than \$1 billion of charitable revenue within the first decade of the program. Today, more than 585 companies belong to Imagine and are committed to the 1% benchmark.

Imagine provides practical tools and resources to help voluntary organizations and businesses find new ways to build long-term partnerships and recognizes outstanding partnerships through an annual awards program.

Imagine
Canadian Centre for Philanthropy
425 University Avenue, Suite 700, Toronto, Ontario M5G 1T6
Phone: (416) 597-2293 ext. 229 Fax: (416) 597-2294
E-mail: info@imagine.ca Website: www.imagine.ca

Community Foundations of Canada

Community Foundations of Canada is the national membership organization for over 140 community foundations. Its mission is to enhance the quality of life and vitality in Canadian communities by supporting and promoting the fund development, grant-making and leadership of community foundations.

To locate a community foundation in your area, call the number below or refer to its website.

Community Foundations of Canada

301 - 75 Albert Street, Ottawa, Ontario K1P 5E7

Phone: (613) 236-2664 Fax: (613) 236-1621

E-mail: info@community-fdn.ca Website: www.community-fdn.ca

Conference Board of Canada

The Conference Board of Canada is an independent, not-for-profit applied research organization in Canada. The Conference Board builds leadership capacity for a better Canada by creating and sharing insights on economic trends, public policy, and organizational performance. The Conference Board of Canada has longstanding expertise in governance and corporate social responsibility. It provides insights based on research, analysis, and interaction with members, and delivers those insights through conferences, networks, seminars, published reports, management tools, roundtables and customized services.

The Board manages unique learning opportunities through executive networks like the Community Economic Development Forum and the Corporate Community Investment Council, as well as hosting conferences about governance and issues of corporate social responsibility.

The Conference Board of Canada

255 Smyth Road, Ottawa, ON K1H 8M7

Phone: (866) 711-2262 Fax: (613) 526-4857

E-mail: contactcboc@conferenceboard.ca Website: www.conferenceboard.ca

Canadian Business for Social Responsibility

Founded in 1995, Canadian Business for Social Responsibility (CBSR) is a non-profit, business-led, national membership organization of Canadian companies who have made a commitment to operate in a socially, environmentally and financially responsible manner, and who recognize the interests of their stakeholders, including investors, customers, employees, business partners, local communities and the environment and society at large. CBSR advances corporate social responsibility (CSR) in Canada through research, educational programs, collaborative projects, CSR business tools and Advisory Services. CBSR's 140 members are both small and large corporations across all major sectors of the Canadian economy.

Canadian Business for Social Responsibility
Suite 508, 1111 West Georgia St., Vancouver, BC V6E 4M3
Phone: (604) 323-2714 Fax: (604) 323-2715
E-mail: info@cbsr.ca Website: www.cbsr.bc.ca

Canadian Revenue Agency

The Canada Revenue Agency (CRA) registers qualifying organizations as charities, gives technical advice on operating a charity, and handles audit and compliance activities. Registered charities are required to file an annual return with the CRA, a portion of which is available to the public from the CRA website, and must meet certain requirements of the Income Tax Act concerning their expenditures and activities. The public is able to search the listing of Canadian Registered Charities.

Charities Directorate
Canada Revenue Agency
Ottawa, ON K1A 0L5
Tel: 1-800-267-2384
Website: www.cra-arc.gc.ca/charities

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To order: www.nonprofitscan.ca/ccp_library.asp

Business for Social Responsibility: Issue briefs for Corporate Social Responsibility

Available at: www.bsr.org/AdvisoryServices/CSR.cfm

Business for Social Responsibility: Issue briefs for Community Investment

Available at: www.bsr.org/AdvisoryServices/CI.cfm

Appendix 1

Examples of Corporate Giving Mission/Policy Statements

PETRO-CANADA ■ Calgary, Alberta

Our Country, Our Future: Petro-Canada's success as an energy company depends on the support of Canadians. We are determined to continually earn that support, not just through excellence in meeting our customers' energy needs, but also by playing an active and important role in Canadian life. We strive to do this in ways that benefit both the community and our business and reflect our common values and interests.

Where we Invest: In 2003, Petro-Canada contributed about \$15 million to non-profit organizations representing four focus sectors – the environment, education, health and community services, and arts and culture. We are also a major supporter of amateur sport through our partnership with the Canadian Olympic Committee and the Canadian Paralympic Committee.

Our Social Vision: Being a successful company means more than generating profit. Making a difference in the communities where we live and work is also important to us. Our social vision focuses on the development of talent, expertise and innovation through education. We also provide strong support to address fundamental community issues such as poverty, child hunger, family violence and homelessness.

THE FAMILY OFFICE LTD. ■ Calgary, Alberta

We recognize that wealth does not exist independently of the community in which it was created. We also acknowledge the importance of a strong community in providing a positive environment for family and business growth.

Our commitment: Our business success will be measured not only by growth in shareholder value but also by our own reputation, the quality of our work and relationships, and our commitment to social responsibility. We commit to annually direct 5% of corporate pre-tax profits to our corporate social investing program.

Our corporate social investing program: We are responsible to the communities in which we live and work and to the world community at large. We must be good citizens and support good works and charities. We must encourage civic improvements, better health and education and protect the environment and natural resources. We will dedicate part of our community investment funds, and a good portion of our volunteer time, toward community initiatives that help our business reach its strategic objectives.

HAMILTON HALL SOLES/RAY & BERNDTSON ■ Calgary, Alberta

The Calgary office of Hamilton Hall Soles/Ray & Berndtson is committed to supporting the community. Recognizing that members of the company live, work and play in Calgary and that the quality of those three aspects of their lives is dependent on the quality of the

community, the founding charter of the company includes donating five percent of its annual revenue to nonprofit organizations. The company also hosts several annual events to raise money for charity. The company gives to charities that are of interest to, or supported by, its employees.

ALBERTA COMPUTER CABLE INC. ■ Calgary, Alberta

Alberta Computer Cable Inc. (ACC) fosters a unique culture of community caring. The company's fervour for fundraising is unique in that it boasts 100% employee involvement in fundraising and volunteer activities that run year-round. The culture of charitable giving at ACC is as tangible as daily business operations. Grassroots activities are initiated both by management and employees, and range from formal events organized by charities to bake sales, barbecues and even toy drives to help those in need. Everyone gets in on the action. The unique thing about ACC's community investment philosophy is that we don't just cut cheques from the executive office. We collectively roll up our sleeves and raise money one dollar at a time.

ACC employees have traditionally been active participants in charities or fundraising events where they see the results of their efforts first-hand and are motivated to do more. While the company has identified specific charities for support, employees also bring other community causes to the attention of ACC and are encouraged to plug into the company's culture of caring to benefit people and issues important to them.

FIRST CALGARY SAVINGS ■ Calgary, Alberta

Our Values

We care about our communities by participating in programs and initiatives that contribute to their general well-being.

Our Community Investment Vision

To champion non-traditional community partnerships that maximize resources, bring value and collectively inspire change in our city.

We will demonstrate leadership in the areas of:

- Life-long learning in the public, voluntary and business sectors
- Employee supported volunteerism
- Advancing social responsibility
- Strategic philanthropy

Community Investment Objectives

- Collaborate with local organizations to achieve beneficial impact in Calgary, while supporting First Calgary Savings values and brand.

- Be viewed as a leading organization in the area of local community investment.
- Strive to be an advocate and role model to other small to medium-sized businesses.
- Continue demonstrating our commitment to formal education programming and learning-based initiatives.
- Evolve, support and celebrate employee volunteerism.

Community Investment Strategies

We build upon our corporate values and the above stated objectives, focusing on the following three strategies in the upcoming year.

Leading: Keeping in mind our intention to impact learning needs in our city, we will seek partnerships within these focus areas that demonstrate leadership, entrepreneurship, and tackle issues with a respectful, inclusive and creative approach. We will demonstrate our leadership as a company by bringing more than financial commitments to community tables. We recognize that change takes time. We will act as positive role models, and encourage other companies to invest in community.

Learning: We will build upon our already strong foundation and commitment to education in our city. Our focus will continue to position learning as a life-long journey and adjust to demands and opportunities in the information age. We will continue to designate the majority of our 1% Imagine funding to support non-profit organizations in addressing their own learning needs, and will consider partnerships that advance learning in our city and address local educational gaps. Recognizing that through one-on-one and group mentoring people can enhance learning and life-skills, we will be key players in evolving this philosophy.

Living in our City: We will show leadership and support in advancing workplace volunteerism and connecting our employees to causes they care about.

First Calgary Savings...Leading, learning and living in our city.

Appendix 2
More About Corporate Foundations

Many corporate leaders choose to create a corporate foundation. A corporate foundation can also be used to buffer a company’s management from external requests and pressures, as the company’s giving is now done through the foundation.

Corporate foundations are usually incorporated as non-share corporations and registered as charities by Canada Revenue Agency. They are typically launched with a single gift that becomes the endowment, which allows a company to preserve its charitable giving during lean economic times. The foundation may be added to annually or as profits allow.

A board of directors governs the foundation and usually includes the company owners and/or key executives. Leaders from the community where corporate headquarters is located have been known to be included as well.

Corporate foundations are often operated as “flow-through” or “conduit” foundations that distribute their assets soon after they are received (with the exception of any funds that have been endowed).

The board of directors or trustees usually makes grant-making decisions, although discretion up to a specific dollar level is usually given to the foundation president or executive director.

Companies considering creating a corporate foundation should seek advice from their legal and tax advisors.

Appendix 3

More About Community Foundation Funds

Many corporations do their giving through funds established at their local community foundation. In essence, the company makes a donation to the community foundation, which establishes a fund in the company’s name. The community foundation then grants part of the income earned by the fund to charities. Donors may set up a fund which allows them to recommend which charities are to receive grants. While legally the final decision on grant distribution rests with the community foundation’s board of directors, in practice the company’s grant recommendations are invariably accepted.

The focus of community foundations is permanent endowments. Donors’ contributions are held in perpetuity (or in some cases for a specified term) and invested, and a percentage of the investment income awarded each year as grants. The minimum percentage that must be awarded is set by federal legislation.

Some community foundations also offer flow-through funds. A contribution to a flow-through fund is not held permanently. The capital is spent within the current fiscal year that the gift is made or in the following year.

Most community foundations offer a range of fund options, including:

Unrestricted Fund: Community foundations have funds (usually called “Community Funds” or something similar) that allow them to use their full discretion when determining grant recipients. This allows the community foundation to respond to current community issues and needs. Some community foundations have field of interest funds, allowing donors to narrow their grants to more specific, though still broad, areas of interest. Companies with unrestricted funds do not provide any advice on grant distribution.

Designated Fund: Companies with a designated fund have a specific charity or charities in mind that it wishes to support for years to come. If the charity’s focus changes significantly, if it merges with another group, or if the purpose it serves becomes obsolete, the community foundation will ask the company to designate a new charity. If a new charity is not selected, the grants will typically be distributed to an organization with the nearest similar purpose.

Donor Advised Fund: When a company establishes a donor advised fund, it designates an individual or committee of employees to serve as “advisors.” The advisors make recommendations to the foundation as to how the grants from their company’s fund should be distributed (hence the term, “donor advised.”)

Scholarship Fund: With a scholarship fund, the company either sets up a selection committee to decide each year’s award recipient, or it designates a specific post-secondary institution, in which event the institution selects the recipient. In either case, the donor may decide which criteria students should meet in order to qualify for the award.

Regardless of the type of fund it sets up, companies will find that the administrative aspects of their giving program can virtually disappear if they have a fund at a community foundation. Rather than write dozens of cheques to charities and track down dozens of charitable receipts, the company writes a single cheque to the community foundation. Depending on the size of the fund, some community foundations will provide services beyond those that are considered basic to all fund holders. While the community foundation will charge a small annual fee for administering the fund, research indicates this is normally less expensive than the annual operating expenses of a private foundation (depending on asset size).

To learn more about setting up a fund, contact your local community foundation. To find the one serving your area, visit Community Foundations of Canada’s website at www.community-fdn.ca.

Appendix 4 Examples of Corporate Giving Guidelines

PETRO-CANADA ■ Calgary, Alberta

Funding Guidelines

Each year, Petro-Canada receives thousands of funding requests from worthy groups across the country. We applaud the very valuable role performed by each of these organizations. However, since we are not able to offer support to all organizations seeking funding, we must focus our support on those groups that best fit our National Community Investment strategy.

Contributions are directed to federally registered charitable organizations and registered non-profit societies. In the case of organizations with multiple chapters across the country, our support is generally directed to the national offices. We direct our support to organizations in our key work locations ie where we have a significant employee and business presence.

Funding Exclusions

While we appreciate the value of all the funding proposals we receive, unfortunately, we are not able to respond positively to each one.

Our community investment strategy is aligned with our business activities and focuses on community needs in Petro-Canada locations that have been identified by our business units as current priority areas across the country. We have established guidelines to effectively govern the allocation of our community investment budget.

Please note that our contributions program focuses on registered charitable organizations and registered non-profit societies. We prefer to fund programs, activities and services versus capital building projects. The following are not considered priorities for Petro-Canada's community investment program:

- Individuals; organizations that are not registered charities or registered non-profit societies; organizations focusing on a particular religion; local community service clubs and associations; private foundations or clubs; political groups or candidates; military organizations; local sports and recreation organizations; organizations focusing on advocacy work (religious, social, political or economic); organizations that discriminate against race, gender, religion or lifestyle
- Individual private, pre-school, elementary and secondary educational institutions; student organizations and individual university/college faculties
- Professional fundraisers
- Trips and tours, conferences and seminars, competitions
- Charity golf tournaments, cross-country fundraising events (walks, runs, etc.)
- Goodwill and other such advertising
- Research and development, feasibility studies
- Film, video, television, and book productions
- Art galleries, museums and heritage societies (we fund the live performing arts)

Application Instructions

We receive extremely high volumes of requests for grants, donations and sponsorships, and therefore, we encourage you to complete the application form carefully and thoroughly so that it is given the consideration it deserves.

Applications for funding must be done on-line through Petro-Canada's website at www.petro-canada.ca. Please be assured that every completed application will be reviewed and will receive a response. However, given that we are consistently backlogged with volume and our community investment committees meet at certain times, please be advised that it may take some time to review and respond to your request.

Petro-Canada evaluates every application on its individual merits. We strive to provide an application process that is fair and cost-effective for all applicants and through which proposals are considered objectively and in a reasonably timely fashion.

We encourage you to review Petro-Canada's funding guidelines and funding exclusions. Does your proposal fit within our guidelines? Does it fall within our targeted areas? If so, we trust that you will invest the time to thoroughly complete the application form.

Our application form is straightforward and easy to complete if you are well prepared. To assist you in your preparations, please read the instructions and suggestions.

The Application Form is divided into five parts:

- Part 1 - Organizational Profile (about your organization)
- Part 2 - Contact Information (how to reach you)
- Part 3 - Request Profile (nature of your request)
- Part 4 - Request Details (details of your request)
- Part 5 - Confirmation of Request (check for accuracy)

FIRST CALGARY SAVINGS ■ Calgary, Alberta

Our review process for community investment considers the following criteria in assessing all applications for funding or sponsorships from First Calgary Savings. We do not consider applications for capital projects or individual sponsorships.

Fiscal responsibility: Your organization demonstrates fiscal responsibility and managerial competence. Please provide audited financial statements to support this.

Not for profit: A charitable tax number is required.

Local audience: Your organization has an impact within Calgary and surrounding area.

Fulfills a need: Your organization is operated with sound business practices and responds to an identified community need in our city.

Socially and ecologically responsible: Your organization's messages, processes and practices must be respectful of workers, subjects, and respectful to the natural environment.

Values compatibility: The project message must align with First Calgary Savings principles and community image.

Requests unlikely to be funded: Group excursions, tours, individual sponsorships, advertising, national initiatives, programs with a specific religious focus, multi-year commitments, and political organizations.

Organizations wishing to apply for support are encouraged to visit our website to determine the application procedure for the program relevant to their particular project.

*When a corporation uses its assets
to bring about measurable gains,
not only for itself but also for society,
that company is acting
as a good corporate citizen.*

*Good corporate citizens
make our community stronger.*



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