

Policy Direction – Cost of Fundraising

Rationale and Relationship to Vision, Mission, and Values

Since 1948, MS Canada has raised funds to provide services and to support research that has helped Canadians affected by multiple sclerosis. During this period, MS Canada has made strategic investments to develop fundraising programs in order to fund its mission.

MS Canada raises funds through a diverse portfolio of fundraising activities, campaigns and events, each with its own cost structure. It is understood and expected that some costs will be incurred to raise funds, yet MS Canada strives to keep these fundraising costs as low as possible through a number of approaches including:

- The internal goals of MS Canada to improve fundraising efficiency and to become a more efficient and transparent organization;
- The requirements of external regulators, associations and sector standards;
- Thorough review and approval of the annual budget by Finance, Audit and Risk Management Committee and the board of directors;
- MS Canada donors and stakeholders, public perception and media scrutiny.

Policy Objective

The objectives of this policy are to ensure that:

- The consolidated cost of fundraising for the organization will be at or below 42%. Responsibility for achieving this objective is shared across the organization;
- Fundraising costs are closely and rigorously monitored and evaluated;
- Individual fundraising program costs at any level of the organization do not exceed 70% of funds raised over a sustained period of time.

MS Canada – Policy Manual	
<i>Applies to:</i>	All volunteers and staff at all levels
<i>Frequency of review:</i>	Three years or less
<i>First approved:</i>	November 23, 2011 by National Board of Directors
<i>Last reviewed:</i>	April 14, 2021
<i>Next scheduled review:</i>	April 2024

Policy Application

This policy applies across MS Canada.

Authorization

This policy was approved by the Board of Directors on November 23, 2011.

Policy Details

The Canada Revenue Agency (CRA) has developed guidance relating to the cost of fundraising for charitable organizations. The CRA recognizes that registered charities in Canada often depend on donations to carry out their charitable activities and that reasonable fundraising expenditures are often necessary to sustain charities.

The CRA has established acceptable fundraising cost ratios between 35-70 % with guidance indicating that no individual fundraising program or event at any level of a charitable organization should operate with sustained fundraising costs at or over 70% of funds raised through that fundraising program without a CRA-accepted explanation and rationale.

Executive Champion

MS Canada’s Vice-President, Philanthropy, Vice-President, Community and Vice-President, Corporate Services are the executive champions for the cost of fundraising policy direction. The Executive Teamⁱ is authorized to develop detailed procedures for the application of the Cost of Fundraising Policy Direction.

Monitoring and Compliance

MS Canada’s Executive Champions are responsible for leading the monitoring of the application and compliance of this policy direction in conjunction with other members of the Executive Team.

Related Policies, Legislation

This policy direction, along with other fundraising policy directions, forms the umbrella of policies under which fundraising activities, campaigns and events are conducted by MS Canada.

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Third party activities are referenced specifically within MS Canada’s Third Party Fundraising and Fundraising Partnerships Policy and are not subject to this policy.

Policy Review

This policy is to be reviewed every three (3) years or less.

Definitions

Executive Team - The most senior level of staff leadership within MS Canada comprised of the president and chief executive officer; division presidents; senior vice-president(s) and vice-president(s). One person may hold more than one position. The president and chief executive officer may alter the composition of the executive team as required from time-to-time.

Cost of Fundraising: Total direct fundraising costs plus total indirect fundraising costs divided by total gross revenue.

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