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IMPORTANT NOTICE FROM CCOF ON FUND RAISING CAMPAIGNS

PROGRAM GUIDELINES

(These guidelines were approved by Canada Revenue Agency)

CCOF is a registered charitable organization under the Canadian and Quebec tax laws. As such, it can organize and implement various charitable activities and use its resources to this effect and can issue official receipts for tax purposes to the people to whom it directs its campaign in order to finance these activities.

The Optimist Clubs of Canada, for their part, can also implement different programs in order to help their community and organize fund raising campaigns. However, since they are not registered charitable organizations under the tax laws, they cannot issue official receipts for tax purposes to the donors.

Because of the tax advantages of a tax deductible receipt, a donor may increase the amount of the contribution, which is to the advantage of the beneficiaries of the program financed by these fund raising campaigns.

Thus, with the approval of the Canada Revenue Agency as well of *Revenu Québec*, CCOF has implemented the "Outsourcing" program in order to help the Clubs to optimize the financing of their charitable projects and activities. This program allows the Clubs to finance the projects that they cherish while allowing the donors to benefit from an official receipt for tax purposes issued by CCOF. However, one condition applies: **The Club must act as agent or mandatory of CCOF and must conclude with CCOF, an outsourcing agreement ("Outsourcing Agreement") and must follow the following guidelines:**

1. Outsourcing Agreement and Project Application Form must be submitted to the Canadian Children's Optimist Foundation of Canada for approval.

- As such, the Club President must sign, for each project, an Outsourcing Agreement with CCOF and the Project Application Form attached to it as Schedule B.**
- The Outsourcing Agreement and the Project Application Form must be submitted to the CCOF.
- Only those projects complying with the objects of CCOF (enumerated in Schedule A of the Outsourcing Agreement and enumerated at no. 5 hereinafter) will be approved.



- ❑ It is also important for the Foundation to recover the expenses incurred in providing certain services to the clubs. Most non-profits in Canada have administrative expenses that vary between 12 and 16%. When submitting the budget in the Project Application Form (Schedule B), the club should include administrative expenses (enumerated in Schedule D of the Outsourcing Agreement).
- ❑ After review of these documents, they will be forwarded to the Outsourcing Program Committee for approval. The CCOF will thereafter notify the Club President by letter and copies of the documents will be sent to the Club President for the Club project file.
- ❑ Projects cannot be started and fundraising efforts implemented until approved by the Canadian Children's Optimist Foundation.
- ❑ Projects that are refused by CCOF may be reviewed and re-submitted for approval to CCOF or may be nevertheless implemented by the Club. However, in this last case, no official receipts for tax purposes will be issued to donors and this will have to be clearly mentioned to the potential donors.

2. Project Status Report

- ❑ Accurate records must be kept by the Club and shall include records of all funding, expenses, assets and liabilities pertaining to the project.
- ❑ Project Status Report (Schedule C of the Outsourcing Agreement) must be submitted to the attention of the Secretary/Treasurer of CCOF monthly and at the termination of the project.
- ❑ A Project Status Report must be completed on every 30th day of September of each year for any project still in progress on this date.
- ❑ CCOF shall have an unrestricted right to inspect the Club's books pertaining to approved project at any time.

3. Payments

- ❑ Any proceeds of the fund raising campaign or associated to the project financing, of whatever nature (contributions of money, movables or immovables, as gift or otherwise, sponsorship, etc.) (the "Proceeds") must be directed and remitted to CCOF.
- ❑ A sum or property, the total value of which is equivalent to forty percent (40%) of the Proceeds of the project shall be transferred to the Club by CCOF at the implementation of the project.



- ❑ The remaining sixty percent (60%) shall be staggered throughout the development and progress of the project and transferred to the Club as funds or property.
- ❑ Project Status Reports must be submitted before any portion of the sixty percent (60%) can be released.

4. Charitable Tax Receipts

- ❑ If a donor requests an official receipt for tax purposes, the Club must provide CCOF with the name and address of the donor and with the amount of the gift, so that the CCOF can issue the receipt directly to the donor.

5. Projects for which the Outsourcing Program may be utilized are those charitable programs, activities and projects aimed at:

- ❑ Promoting and encouraging the educational, social, artistic or physical development and growth of Canadian youth, such as the following programs and activities: development and distribution of programs and activities that promote and encourage the personal, professional and financial education of Canadian youth, sponsorship programs, the award of scholarships and the dissemination of information on safety and drug abuse;
- ❑ Promoting and encouraging youth leadership and social integration in the community and in Canadian society, though, for example, training seminars and the dissemination of information on observance of law and youth appreciation;
- ❑ Bringing about the relief of poverty and its adverse effects upon Canadian youth in particular and upon Canadian society in general;
- ❑ Improving the human and social condition within the communities in which the Corporation operates through its affiliated Clubs and the Canadian society in general in other charitable matters such as health, public amenities, environmental restoration, care of handicapped and of elderly people.