

COMMUNITY FOUNDATION OF
MEDICINE HAT AND SOUTHEASTERN ALBERTA

POLICY: Gift Acceptance Policy		
APPROVED: March 2002	REVISED/REAFFIRMED: September 2010	SUBJECT TO REVIEW: September 2011

Introduction

1. In establishing this policy the Board recognizes the utmost importance of ensuring that all gifts to the Foundation are made within legal and ethical regulations, codes and guidelines.
2. This policy is designed to ensure clarification of roles, responsibilities and expectations of both the Foundation and its donors. The policy will also make certain that the Foundation acts in a consistent and timely manner in exercising its fiduciary responsibility.
3. This policy applies to those gifts for which a tax-deductible charitable receipt is to be issued.

The Donor

4. Ethics. The Board has formally adopted the Ethical Fundraising and Financial Accountability Code developed by the Canadian Centre for Philanthropy. This Code clearly establishes the donor's rights and sets the standards for all the Foundation's fund development work. A copy of this Code is contained in the Policy Manual that is available at the Foundation office.
5. Interests. The donor's wishes and interests will always be the first priority to be considered by anyone acting on behalf of the Foundation in fund development activities.
6. Confidentiality All information, philanthropic intent and content of fund agreements will be held in strict confidence, subject to legally authorized and enforceable requests for information. All other requests for information regarding a donor will only be provided if prior written consent from the donor or their legal representative, trustee or attorney by way of a Power of Attorney has been received.
7. Conflict of Interest All persons acting on behalf of the Foundation will declare any conflict of interest in the fund development activities. At no time may a Foundation representative place the interests of the Foundation ahead of those of the donor.
8. Agreements. Before making a gift and signing a fund agreement, the Foundation will ensure that the donor is fully aware of the consequences of making the gift. The Foundation will advise all donors to seek

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professional financial advice before making a charitable gift. The gift will not be accepted unless the Foundation is satisfied that the donor understands the work of the Foundation and how the capital and its income will be used. A standard form of agreement will be used as the basis for all funds. The Foundation would prefer to work with donors to personalize these agreements with respect to the name and nature of the fund and use of the fund's income. Where terms are expressed unilaterally, such as in a will, the Foundation encourages donors to discuss their wishes in advance.

The Gift

9. The ways to make gifts to endowment funds are many and diverse. The possibilities include but are not limited to:
- ◆ Cash, or equivalents such as T Bills and GICs.
 - ◆ Publicly listed securities.
 - ◆ Bequest by Will.
 - ◆ Life Insurance.
 - ◆ Charitable Remainder Trust.
 - ◆ Gift with Residual Interest.
 - ◆ Assignment of annuity payments, or the residual interest in an annuity.
 - ◆ Other Property – this may include real estate, art and other assets not readily negotiable.

Canada Revenue Agency prohibits foundations from incurring debt obligations; therefore the Foundation cannot issue charitable annuities or accept gifts of interest free loans.

10. Valuation. In most cases the value of a gift will be immediately apparent, particularly for readily negotiable gifts. Where this is not the case the donor is responsible for providing an independent appraisal, establishing fair market value, of the property being offered as a gift. The Foundation reserves the right to secure and rely on its own appraisal in determining the acceptability of the gift and the value of the receipt for income tax purposes. In the case of a gift of securities the value for receipting purposes will be the closing market price on the day the Foundation receives the securities.

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11. Disposition. All gifts of cash and cash equivalents made to the Foundation will be transferred to the Foundation's custodian and placed in the Foundation's investment portfolio. All gifts will be sold as soon as possible and the proceeds invested in accordance with the Foundation's investment policy, unless a prior agreement has been reached with the donor that may require the property to be held temporarily. Publicly listed securities may be delivered by the donor directly to the Foundation or transferred by prior agreement to the Foundation's investment account held by its custodian. The Treasurer and Executive Director will supervise receipt of publicly traded securities, and if required the opinion of a third party counsel with respect to final legal ownership may be obtained. Gifts in cash or in kind that are directed specifically to support Foundation activities such as sponsorship of an event or to directly offset Foundation administration expenses will be exempted from this disposition policy.

12. Costs. The donor shall pay for all costs associated with making a gift. This may include expenses related to appraisal fees, legal and accounting expenses, transaction fees and bank charges. Expenses incurred by the Foundation in accepting a gift, which may include legal fees, maintenance, and disposition fees will be charged against the fund once established.

13. Receipt. The Foundation cannot issue a tax receipt until the gift is legally the property of the Foundation. The receipt will be issued for the value of the gift, as at the date it becomes the Foundation's property.

General Conditions

14. The Foundation in accepting gifts will apply the following general conditions:
 - a. All gifts must be consistent with the overall mission of the Foundation. A gift must not compromise the integrity and non-partisan status of the Foundation in the community, or undermine its classification or status under the terms of the Income Tax Act of Canada.

 - b. The Foundation reserves the right to refuse to accept a gift the origin of which may bring the Foundation into disrepute.

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- c. The Foundation is not able, because of the potential for a conflict of interest, to act as the executor of a donor's will or as a trustee of a charitable remainder trust.
- d. The Foundation will be bound by all applicable statutes with regards to the reporting of the sources of gifts received.
- e. The Executive Director may accept outright gifts of cash, publicly listed securities that are freely tradeable and life insurance. The Executive Director will consult with the Executive Committee before undertaking to accept:
 - ◆ Shares in privately owned companies
 - ◆ Publicly listed securities that for whatever reason are not freely tradeable
 - ◆ Real Estate
 - ◆ Residual Interest Trusts
 - ◆ Charitable Remainder Trusts
 - ◆ Personal Property
 - ◆ Debentures
 - ◆ Partnership interests
 - ◆ Gifts in Kind
 - ◆ Assignment of annuity payments, or the residual interest in an annuity.
 - ◆ Any other gifts where there is reason to question the validity, the origin, the liability or the wisdom of accepting the gift.