

POLICY CATEGORY: Donor	NUMBER: 2.0	PAGE: 1 of 4
SUBJECT: Gift Acceptance Policy		
EFFECTIVE DATE/APPROVED: September 2016	REVISED/REAFFIRMED: New Policy	SUBJECT FOR REVIEW: November 2020

Policy Statement:

The gift acceptance policy ensures donations are used to further the mission and vision of The Greater Saint John Community Foundation (the Foundation) and includes appropriate consideration of donor objectives. It provides clarification, along with Fund Agreements, of roles, responsibilities and expectations of both the Foundation and its donors.

This policy provides guidance for Foundation Board and Staff decision-making. It ensures that gifts to the Foundation are made in accordance with legal and ethical regulations and guidelines, and promotes consistent practices in exercising fiduciary responsibilities.

This policy will help to enhance long-term relationships with donors and encourage donations. It supports Foundation representatives to work together to provide the most effective benefits to our community congruent with donors' broad philanthropic wishes. The Foundation shall abide by all applicable laws governing the charitable sector. To demonstrate its commitment to donors, reference should be made to the Donor Recognition & Stewardship Policy #2.1 and the Donor Bill of Rights Policy #2.2.

For the purposes of this policy, the Foundation uses the definition of a gift as outlined by the Charities Directorate of the Canada Revenue Agency (CRA).

Gifts outside those defined in this policy, such a real estate, charitable remainder trusts, tangible personal property or other property interest must be presented to the Board for consideration.

Procedures:

1. Consistency with the Foundation mission and vision: Gifts must be consistent with the overall mission, vision and strategic intent of the Foundation, all applicable statutory provisions, and must not compromise the Foundation's integrity. The Foundation may, in its discretion, refuse a gift on these grounds.

2. Compliance with Regulations: The Community Foundation is a registered charity and a public foundation. The Foundation will abide by all applicable laws and regulations including those outlined by the Income Tax Act (Canada) and the Charities Directorate of the Canada Revenue Agency, any other applicable legislation and the Foundation's by-laws and policies.

3. Geographic Focus: As per our Act of Incorporation, the principal focus of the Foundation's activities are to benefit the inhabitants of Greater Saint John. The Act defines Greater Saint John as to include that area of New Brunswick which lies within a radius of fifty kilometers from the present site of the County Court House Building located on Sydney Street in the

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City of Saint John. The Foundation may accept gifts for any charitable purpose that serves elsewhere within New Brunswick and across Canada. A gift may be declined if there will be no substantial benefit to the local community. A donor may also be referred to another Community Foundation or charitable organization if the Foundation perceives that the donor will be better served by such other organizations.

4. Clarity of intent: The Foundation educates and informs potential donors regarding the work of the Foundation. It shall not solicit or accept a gift from a donor unless it is satisfied that the donor has a bona fide charitable intention and has an accurate understanding of the consequences of the donation and the how their gift will be used.

5. Seeking independent advice: Persons acting on behalf of the Foundation shall encourage potential donors to consult independent legal and tax professionals to ensure that donors receive a full and accurate explanation of the nature and consequences of their gifts.

6. Undue influence: Persons acting on behalf of the Foundation shall inform, serve, guide or otherwise assist donors who wish to support the Foundation, but never under any circumstances are they to pressure or unduly persuade.

7. Gifts Requiring Board Approval: The following gifts must be reviewed and approved by the Board of Directors: gifts of real or tangible property and gifts of a residual interest. Before acceptance and approval, relevant information about the gift shall be ascertained, including a copy of any appraisal secured by the donor. The Foundation reserves the right to obtain its own appraisal for gifts of real or tangible property or other property whose value is not readily ascertainable.

8. Accepted Gifts: The Foundation accepts outright gifts of cash, publicly traded securities, and life insurance.

a) Cash, Cheques, Credit Cards – gifts accepted include Canadian and foreign currency, cheques, bank drafts and money orders. Unless there are restrictions, such gifts may be accepted by the Executive Director. The Foundation does not accept gifts via cash in excess of \$10,000. Gifts via credit cards are facilitated by a 3rd party through the Foundation’s website; Canada Helps (A registered charity/qualified donee). Donors are receipted and funds credited for the full amount of the on-line donation. Canada Helps issues the donor’s charitable tax receipt. The Foundation receives payment from Canada Helps on a timely basis, less the 3.9% administrative fee. This allows donors to donate anytime. If a donor visits the office wishing to make a credit card donation, with their permission and in their presence staff will facilitate the donation via Canada Helps on their behalf.

b) Publicly traded securities – A donor will advise the Foundation or their broker they are interested in donating shares. The shares are donated directly to the Foundation and deposited to the Foundation’s brokerage account at RBC - Dominion Securities. An RBC Dominion Securities representative then contacts the Foundation’s designated representative to request authorization for the shares to be sold. The Foundation’s designated representative authorizes the sale immediately upon notification from the broker, no shares are held. The Foundation has designated the Executive Director, Chairperson, Vice Chairperson and Treasurer to authorize the immediate selling of shares. In the case where one of these officers is also a member of the Investment Industry Regulatory Organization of Canada (IIROC), that individual cannot be one of the Foundation’s designated representatives.

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c) Bequests - Donors naming the Foundation as a beneficiary of their estate will be encouraged to provide information regarding their bequest and to provide the Foundation with a copy of the pertinent section of their will. With permission, the Foundation will recognize these donors during their lifetime. Establishing a fund agreement for a future gift is an option for any donor wishing to make a bequest or planned gift. The Foundation will not act as Executor of the donor's will.

d) Gifts of Life Insurance: The Foundation accepts gifts of life insurance. All such gifts must be reviewed by the Board prior to acceptance. Charitable tax receipts are available for gifts of life insurance, once the terms are understood and accepted. There are various methods by which a life insurance policy may be contributed to the Foundation. A donor may:

- Commence a life insurance policy of which the Foundation is the owner and beneficiary.
- Assign irrevocably a paid-up policy to the Foundation.
- Assign irrevocably a life insurance policy on which premiums remain to be paid and a charitable tax receipt shall be issued for premium amounts.
- Name the Foundation as a primary or successor beneficiary of the proceeds.

When ownership is irrevocably assigned to the Foundation, the donor is entitled to a gift receipt for the net cash surrender value (if any) and for the premiums subsequently paid.

9. Gifts Not Accepted: The Foundation cannot offer charitable annuities or any other gift creating a liability. It reserves the right to decline a gift based on:

- lack of congruency with the Foundation's mission and vision;
- desire of the donor to exert unacceptable conditions or controls over disbursement of the net income from the gift;
- cost of ownership implications related to administration time, management and marketability of the gift;
- unacceptable risks;
- gifts that are illegal; and,
- other factors agreed to by the Board of Directors

10. Donor-Advised Funds: There are limits on a donor's capacity to impose restrictions on charitable gifts. A donor may, however, at the time the gift is made and even subsequently, by agreement with the Foundation, place limits on the uses to which a gift may be put. Further, the donor or the donor's designated representatives may advise the Board of the Foundation on the application of the earnings of his or her gift and the Board shall generally consider and respect such advice. Beyond that, a donor cannot legally restrict the Foundation.

11. Fund Agreements: The Foundation works with donors to develop agreements with respect to the name, nature, limits and use of their gifts at the time a gift is made. Fund agreements specify the type of fund created. These agreements will be developed where the donor is giving specific recommendations to the Foundation as to the distribution of the earnings generated by their gift. The Executive Director works with prospective donors and their professional advisors in accordance with the guidelines set forth in this Policy to draft a fund agreement. All fund agreements are then reviewed and approved as to form and content by the Foundation's legal counsel. All fund agreements require Board approval and will be vetted by both the Investment & Finance and Executive Committees prior to presentation to the Board.

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12. Flow-Through Funds: The principle mission of the Foundation is to raise, administer and distribute earnings from funds that are held on a permanently endowed basis. As a service to the region, the Foundation is prepared to accept, from time to time, gifts that are not intended to be held as endowment funds. The Foundation will act in accordance with all relevant policies in administering these non-endowed funds. The Foundation may charge an administrative fee to facilitate flow through funding.

13. Related Costs: Gift-related costs such as legal fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property will normally be the responsibility of the donor unless the Foundation, upon prior agreement, agrees to assume responsibility for any portions of these items.

14. Charitable Tax Receipt: The Foundation shall issue a charitable tax receipt as per the Receiving Gifts and Receipting Policy #2.3.

15. Benefit to Donor: The legal nature of a charitable gift is that a donor cannot expect or receive financial benefits (other than a charitable tax receipt) or opportunities to flow from the gift.

16. Confidentiality: As per the Donor Recognition and Stewardship Policy #2.1, all agreements with donors and all information learned by any representative of the Foundation concerning donors, their assets or philanthropic intentions shall be held in strict confidence by the Foundation, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for, or releases of, information concerning a donor will be allowed only if permission is obtained from the donor, if living, prior to the release of such information. A donor may also request that the Foundation treat their gift as being made anonymously. While the Foundation must have at least one representative be aware who is making the gift, it will make all appropriate efforts to respect the donor's request for anonymity.

17. Administration Policies: The Foundation adopts policies that regulate administrative charges/fees on its endowment funds, manage the investment of the funds, determine the appropriate portion of funds to distribute for charitable granting purposes or retain as capital to protect against erosion by inflation, as per the Preservation of Capital Policy #3.9. Except for a more precise agreement with the donor overriding these general policies, the Foundation shall apply its policies equitably to all funds under its control and may amend such policies from time to time.

REFERENCES:

Donor Recognition & Stewardship Policy #2.1

Donor's Bill of Rights Policy #2.2

Receiving Gifts and Receipting #2.3

Preservation of Capital Policy #3.5