



## Community Foundation for Kingston & Area

### Gift Acceptance Policy

Approved on: September 25, 2018

The Community Foundation for Kingston & Area is community inspired. We strengthen our community by connecting the generosity of donors with the energy and ideas of people and local charities addressing community needs.

The purpose of this policy is to provide guidelines for the types of outright gifts (cash, publicly traded securities, marketable property) and deferred gifts (bequests, life insurance policies and proceeds, residual interests and charitable remainder trusts) that will be accepted by the Foundation.

The nature of a charitable gift is that a donor cannot expect material consideration (financial benefits or opportunities) to flow from a gift.

#### General Guidelines:

- All gifts will be consistent with the overall mission and strategic intents of the Community Foundation for Kingston & Area (“the Foundation”).
- It is important that gifts do not compromise the Foundation’s integrity in the community.
- Donors are encouraged to discuss a proposed gift with independent legal and/or tax advisors of the donor’s choice so as to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.
- The Executive Director or President is authorized to negotiate gift agreements with prospective donors. The Board shall establish guidelines for Fund agreements.
- Outright gifts of cash, publicly traded securities and life insurance may be accepted without Board approval unless there are unusual restrictions or circumstances involved (e.g. thinly traded securities which are illiquid and/or difficult to value; gifts which may impact the reputation of the Foundation).
- Gifts of real estate, tangible personal property and other property interests not readily negotiable or valued will not be accepted without the approval of the Board.
- The Foundation will not act as a trustee of charitable remainder trusts or as executors for a donor’s will.

#### The Nature of Property Given to the Foundation

- **Basic Form of Property Accepted:** The Foundation routinely accepts only property that is readily marketable at reasonable cost. That refers to cash, deposit instruments of a

government in Canada or financial institution, publicly traded securities, policies of life insurance, or any other property that the Foundation may invest in consistent with its investment policies.

- **Deferred gifts:** The form of deferred gifts accepted by the Foundation may include bequests, gifts of residual interests, charitable remainder trusts, gifts of life insurance policies and proceeds, retirement income accumulations and such other gift arrangements as the Board of Directors may approve from time to time.
- **Other Forms of Property:** The Foundation recognizes that donors occasionally will wish to give it property that is not described in the previous paragraph such as real estate, tangible personal property, shares in publicly traded corporations that are not listed on prescribed stock exchanges or dealing networks, shares in private corporations, residuary interests in trusts, debentures, partnership interests or other property interests not readily negotiable or valued. While the Foundation is generally pleased to accept gifts, it has to be careful to evaluate whether there may be complicating factors or unintended consequences in accepting such property. It, therefore, reserves the right to decline a gift of property because of the nature of the property that is being offered. Examples of matters the Foundation will take into account are:

- (a) The difficulty in valuing the property or the likelihood that the value of the property will be a matter of differing opinions. The Foundation does not wish to become involved in valuation disputes with Canada Revenue Agency;
- (b) The possibility that the property will not sell in a reasonable period of time;
- (c) The potential carrying cost and environmental risk associated with owning the property;
- (d) The potential for controversy associated with owning the property;
- (e) Whether a satisfactory arrangement can be made with the donor with respect to:
  - the absorption of the costs of valuation;
  - maintenance and disposition matters related to the property;
  - other potential risks to the Foundation.

## Specific Guidelines

### Publicly traded securities:

- The Foundation accepts gifts of publicly traded securities and may choose to scrutinize the acceptance of such gifts in consultation with the Investment Advisor. Under normal circumstances, securities will be valued on the day the asset is deposited into the custodial account and close of business day prices will be used. All securities will be liquidated as soon as possible. Any resulting gain or loss will be credited/charged to the specific fund. The Investment Advisor will invest proceeds of the sale in accordance with the Foundation's Investment Policy.

### Life Insurance:

- The Foundation promotes and accepts gifts of life insurance. All such gifts must be reviewed by the Board prior to acceptance. Charitable Income Tax Receipts are available for gifts of Life Insurance, once terms are understood and accepted.
- In considering the acceptance of a gift of life insurance, the Board will consider any potential future liability.

- Acceptance of a life insurance policy does not ensure that the Foundation will fund future premiums on the policy.

#### **Related Costs:**

- In some instances, the donor may be asked to pay costs associated with making a gift. If substantial expenses are incurred by the Foundation in accepting a gift including appraisal costs, legal fees, accounting fees, and/or maintenance and disposition fees, these expenses will be charged against the fund. The Foundation will discuss this situation with the donor prior to accepting the gift.

#### **Donor Agreements:**

- Written donor direction must be received for all gifts of endowed or quasi endowed funds at the time the gift is made. The Foundation staff will work with donors to develop agreements with respect to the name, nature and use of their gifts at the time a gift is made in accordance with the Foundation's Policies. All fund agreements requiring execution by the Foundation shall first be reviewed and approved as to form and content by the Foundation's Board of Directors and legal counsel, when deemed necessary.

#### **Donor Recognition and Stewardship:**

- All donations will be processed in accordance with administrative procedures related to gift acceptance and in accordance with regulations posted by the Charities Directorate of the Canada Revenue Agency. The Foundation will publicly acknowledge all donations, unless the donor wishes to remain anonymous. It is a matter of policy that the Foundation will not share its donor list with other organizations. Donor records maintained by the Foundation will be kept confidential to the greatest extent possible. Donors have the right to see their donor record and to confirm its accuracy, if they so request.

#### **Charitable Tax Receipt**

- The Foundation shall issue a charitable tax receipt for each gift as soon as practicable, having regard to the circumstances of each gift. Donation receipts for gifts of securities are based on the value of the securities at the close of trading on the day in which the ownership is transferred from the donor to the Foundation. Supporting documentation in writing must verify this valuation. Donation receipts for "gifts in kind" and for special events will comply with regulations posted by the Charities Directorate of the Canada Revenue Agency. 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.

#### **Gifts Not Accepted:**

- The Foundation reserves the right to decline to accept a gift based on lack of consistency with the Foundation's mission; desire of the donor to exert unacceptable conditions or controls over disbursement or 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; or other factors agreed to by the Board of Directors.
- Acceptance of all donations is subject to the Foundation's gift acceptance policy and verification by the Foundation that the donation meets all the requirements of the Canada Revenue Agency.

Approved by Board of Directors on (date): \_\_\_\_\_

Signed: Foundation President \_\_\_\_\_

Signed: Foundation Secretary \_\_\_\_\_