

ST. JOSEPH'S SJFTB OF THUNDER BAY
63 CARRIE STREET, THUNDER BAY, ON P7A 4J2

POLICY

#12

GIFT ACCEPTANCE POLICY

DATE APPROVED: June 2021

NEXT REVIEW DATE: June 2023

APPROVAL: 

All gifts accepted by St. Joseph's Foundation of Thunder Bay (SJFTB) will reflect the current or revised teachings and theology of the Catholic Church and the Mission and Philosophy of the Sisters of St. Joseph of Sault Ste. Marie.

Purpose of the Policy and Guidelines

The purpose of the gift acceptance policy and guidelines are to identify the various types of gifts that may be promoted and accepted by SJFTB, the general policies applicable to those gifts and the specific guidelines for each type of gift. These policies ensure that all gifts accepted by SJFTB will be acceptable to the Canada Revenue Agency (CRA), cost effective to SJFTB and will not create undue liability.

1. General Policies

1.1 Definitions

SJFTB is authorized to accept both present and deferred gifts and contributions.

A "*present gift*" refers to an outright contribution of cash or property, which can be used immediately by SJFTB in support of its funding priorities. Securing present gifts is SJFTB's highest priority.

A "*deferred gift*" includes bequests, life insurance policies, retirement plan accumulations and gifts of residual interest. All deferred gifts including program solicitation plans and activities shall be subject to the oversight of the SJFTB Board of Directors.

A "*planned gift*" includes

- Gifts of real estate, shares in privately held companies, stock options, tangible personal property, partnership interests, and other property interests not readily negotiable; and
- Gifts of residual interest, including charitable remainder trusts

A “*contribution*” is often a business gift, typically arising from a sponsorship opportunity. Since sponsorship gifts are made under contract (implied or explicit) and generally involve significant benefit to the donor in terms of advertising or promotional value, sponsorships would be considered contributions. Contributions also include proceeds of sales and other business activities, lotteries, raffles and auctions. A charitable donation receipt cannot be issued for contributions.

Policies and guidelines for acceptance of each type of gift are set out in Sections 1 to 8 of this Policy.

1.2 Responsibility to Donors

The policy SJFTB is to inform, serve, guide or otherwise assist donors who wish to support its activities in support of St. Joseph’s Care Group (SJCG). All persons acting on behalf of SJFTB, both staff and volunteers, will conduct themselves in accordance with generally accepted professional standards of accuracy, truth and integrity.

In all matters involving donors, their interest and well-being must take precedence over the interest and needs of the organization. In cases of potential or actual conflict of interest, those acting on behalf of SJFTB must declare the conflict and allow someone else to act on its behalf.

Persons acting on behalf of SJFTB shall in all cases encourage the donor to discuss proposed gifts with independent legal and/or financial advisors of the donor’s choice and at the donor’s expense. SJFTB reserves the right to decline any gift.

1.3 Authorization

While members of SJFTB Board of Directors and volunteers are encouraged to be ambassadors for the SJFTB, only selected volunteers and designated SJFTB staff are authorized to negotiate present and deferred gift arrangements with prospective donors.

All gift arrangements that require SJFTB to execute legal or program related documents shall first be reviewed and approved by its legal counsel. Where substantially the same document or legal agreement issued repeatedly, only the original form of the document needs to be approved by legal counsel.

Planned gifts, gifts of cash, publicly traded securities, life insurance and retirement plan accumulations do not require approval by the Finance Committee. However, any gift may be referred to this Committee.

SJFTB is not permitted by law to offer gift annuities.

1.4 Declining a Gift

At times, SJFTB may choose to decline a gift if one or more of the following conditions are known:

- a) There are conditions to a gift and its designation which are inconsistent with the objectives, values and goals of SJFTB.
- b) The gift could financially jeopardize the donor and/or SJFTB.
- c) The gift or terms are illegal.
- d) An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to SJFTB.
- e) SJFTB or SJCG does not have the resources to honor the terms of the gift.
- f) There are physical or environmental hazards involved.
- g) Where false promises have been made; where the donor does not have the authority to make the gift.
- h) The gift could jeopardize the tax exempt status of SJFTB.
- i) The gift could improperly benefit any entity (individual and/or organization).
- j) The acceptance of the gift would negatively impact SJFTB.

1.5 Official Donation Receipts

SJFTB has been issued a Charitable Registration number by CRA, which permits it to issue charitable donation or gift receipts for income tax purposes. The privilege is governed by federal statute and internal policy. The word "gift", by its common law definition is "a voluntary transfer of property without valuable consideration".

Policy

SJFTB will issue an official receipt for donations that qualify as charitable gifts, as per the Income Tax Act and CRA's policy guidelines, as amended. SJFTB will consider gifts that are unencumbered and those over which the donor retains no jurisdiction.

Guidelines

When a gift is received by SJFTB, it is the responsibility of the Executive Director to ensure that the gift is acceptable and that the donation qualifies as a charitable gift.

If there is any uncertainty as to whether a donation qualifies as a charitable gift, advice will be sought in the following order;

- a) Charities Direct of CRA
- b) From the SJFTB's Chair of the Board
- c) From qualified legal counsel
- d) From the qualified tax consultant at the external auditors

1.6 Confidentiality of Information

Charitable giving is a personal and sensitive issue. To ensure the privacy of donor information, it is necessary to control access to donor and gift information.

Policy

All information pertaining to donors and donations received by SJFTB is confidential and shall be governed in compliance with the SJFTB Confidentiality Policy. The Executive Director (or designate), or Chair of the Board of Directors, will approve accessing donor information, with access granted only to those involved in SJFTB activities and planning.

Donor lists, records, and/or mailing information maintained in the name of the SJFTB will never be sold or exchanged.

Guidelines

All necessary steps will be taken to ensure that all information will be kept confidential. On behalf of SJFTB, staff members are charged with the responsibility of maintaining accurate and complete records of all donors and donations committed and/or received.

A donor may request that her/his gift and/or information pertaining to that gift remain anonymous. Unless requested specifically by the donor, public recognition will be extended to the donors in accordance with SJFTB's donor recognition policy.

1.7 Direction of Gifts

The SJFTB has a responsibility to handle all monies put into its trust in accordance with the directions (past, present, and future) of the person who made the gift. It also must adhere to all applicable laws, federal and provincial.

All gifts received by SJFTB should be directed to purposes that are in accordance with the strategic direction, vision and values of the SJFTB and the Sisters of St. Joseph's of Sault Ste. Marie and St. Joseph's Care Group.

Policy

All donors, at time of donation, can irrevocably choose to have their gift fully expended or endowed and can direct their gift to a specific program, fund or project. The use of the gift may effect whether it can be expended or endowed. On rare occasions, a gift may be declined as a result of the restrictions on the gift.

Guidelines

Unrestricted gifts or gifts with no designation specified, are allocated to the unrestricted general account. Gifts restricted to a specific program, project or fund will be allocated to a program or fund account identified for this purpose.

2. Acceptance Policies

2.1 Gifts of Cash

Definition

Cash may include cheques, money orders, currency or other legal tender, including contributions made by credit card and/or online giving processes.

Policy

Cash donation are welcomed by SJFTB and an appropriate donation receipt will be issued. Charitable donation receipts are issued for donations over \$25.00.

Guidelines

Authorized SJFTB staff will deposit the gift in accordance with established procedures and prepare the official donation receipt in the name of SJFTB. Staff will record the gift entry in the database and prepare the appropriate acknowledgement.

2.2 Gifts of Publicly Listed Securities

Definition

Examples of securities are shares of stock in a corporation, bonds, treasury bills, and other documents evidencing a liability or mutual funds. Some securities may be publicly traded, i.e. listed on a recognized securities exchange. Publicly traded securities receive certain preferable tax treatment when donated to a charitable institution.

Policy

SJFTB reserves the right to sell securities and manage the funds according to its Investment policy. The amount of the donation receipt is determined by;

- The fair market value (FMC) of the security at the close of the business on the day the security is received by the custodian of the SJFTB's investment counsel.
- The fair market value (for non-marketable securities) on the date of transfer provided through a written evaluation prepared by an independent appraiser who is qualified to evaluate such shares.

Gifts of shares in a privately-owned company will be accepted as long as the Executive Committee assumes no liability in receiving them and the Board is satisfied with the evaluations provided.

Guidelines

Shares in private companies may be accepted if they can be sold in the near future to the corporation, other shareholders or others interested in acquiring an interest in the corporation. Alternatively, such shares may be accepted if an arrangement is made to redeem the shares upon death of the shareholder. The Executive Committee will review all gift arrangements involving private shares. All gifts of publicly-traded securities will be reviewed by the Executive Director (or designate) to ensure the securities are both marketable and acceptable.

2.3 Gifts-In-Kind

Definition

Gifts-in-Kind can refer to gifts of real property, such as real estate, and personal property such as art, books, jewelry, and other valuable items. Gifts-in-kind can also include contracted service or skill.

Policy

Gifts of all kinds are eligible for a charitable receipt provided the gift is accepted by SJFTB. The amount of the official receipt will be issued for the fair market value on the date the gift is transferred, consistent with CRA guidelines. SJFTB may retain the gift or sell it and use the proceeds where they are needed most or as designated by the donor.

Guidelines

In order to issue a donation receipt for a gift-in-kind, the SJFTB requires that:

- A minimum of one independent appraisal be acquired from a reputable appraiser. Original appraisal documents must be in hand as well as a deed of the gift, making the SJFTB irrevocably the owner of the gift. The donor is responsible for the cost of the appraisal.
- For items valued under \$1000, an authorized member of the SJFTB's staff may ascertain the value of the item. If there is not a qualified staff member, an independent appraisal will be required. Appraisals will be undertaken at the cost of the donor.
- Gifts of real estate, whether outright or in some form of residual interest gift, will be subject to the following. The SJFTB shall ascertain:
 - Whether the donor has clear title to the property.
 - That acceptance of the gift would be in its best interest after consideration of such factors as zoning restrictions, marketability, current use and cash flow.
 - That it will assume no liability whatsoever as a result of environmental conditions of the property. SJFTB may conduct an environmental assessment at the cost of the donor, including an environmental audit, to determine the it will assume no liability
- For gifts-in-kind or equipment or similar property, the Executive Director (or delegate) must approve the acceptance of the asset to ensure that the SJFTB is prepared to maintain the asset including all related financial obligations.

2.4 Estate Gifts by Will (Bequests)

Definition

A bequest is a specific provision in a Will, directing assets from the estate to the SJFTB. The amount of the bequest may be specified or the bequest may be residual interest after all debts, taxes and other specific bequests have been paid.

Policy

Bequests made to the SJFTB may qualify as a charitable gift, if the terms and conditions of the bequest are consistent with the needs of the SJFTB. Official donation receipts will be issued to the estate of the deceased.

Guidelines

Sample bequest language will be made available to donors and their lawyers to ensure that bequests are properly designated and the proper legal title for SJFTB is used. Staff will not become involved in the final preparations, execution, or witnessing of a Will in which SJFTB has been named a beneficiary.

Communications to SJFTB (letters, copy of Will and/or estate account summaries) received from the executors, trustees, or legal counsel will be reviewed by the SJFTB's Executive Director (or designate). The purpose of the bequest will be reviewed to ensure that it is not in conflict with the needs or policies of SJFTB. The Executive Director will review any bequests that are in conflict, and an appropriate action plan will be determined.

On behalf of SJFTB, staff will maintain the ongoing file of all estates and will ensure that all correspondence is dealt with expeditiously and in accordance with SJFTB policy.

2.5 Gifts of Life Insurance

Definition

A donor may choose to donate an existing, fully paid-up life insurance policy or purchase a new policy for the SJFTB. The donor can name SJFTB the owner and beneficiary or just a beneficiary under the policy. Different tax treatments apply depending on the donor's choice.

Policy

If the donor donates an existing policy:

A fully paid-up policy transferred to the SJFTB provides the donor with a donation receipt for the fair market value (FMV) as calculated on the date of ownership transfer (often, but not always, the cash surrender value of the policy), provided SJFTB is named the owner and beneficiary of the policy. Upon the donor's death, SJFTB receives the face value of the policy.

If an individual has an existing policy on which premiums are still owing and SJFTB is named the owner and beneficiary, SJFTB may issue a donation receipt for the FMV when policy ownership is transferred and donation receipts for all subsequent premium payments paid by the owner.

If the donor donates a new policy:

When a donor purchases a new policy and names SJFTB as owner and beneficiary, the donor receives a donation receipt for the annual premium payments paid on the policy. The donor makes premium payments directly to the insurance company. Upon the donor's death, SJFTB receives the face value of the policy.

In both of the above scenarios, the donor can choose to direct the insurance proceeds to their estate and name SJFTB as the beneficiary of these proceeds in their Will.

Guidelines

The Executive Director (or designate) must approve all gifts of life insurance. SJFTB will confer annually with the appropriate insurance companies that premium payments have been made. In cases where the donor does not make premium payments, the SJFTB may elect to:

- Continue the premium payments
- Retain the policy with a "paid up", but reduced face value
- Cash in the policy for its current FMV

2.6 Gifts funded by Registered Retirement Savings Plan/Income Fund Proceeds (RRSPs/RRIFs)

Definition

A donor may choose to donate the proceeds of an existing RRSP or RRIF plan to SJFTB. The donor can name SJFTB as beneficiary of the plan for all or part of the proceeds invested. Upon the donor's death, the proceeds are paid directly to SJFTB and an official donation receipt may be issued to the estate for the full value of the gift.

Policy

RRSP/RRIF proceeds are welcomed by SJFTB and an appropriate official donation receipt will be issued.

Guidelines

Individuals may designate SJFTB as beneficiary of a registered retirement savings plan (RRSP) or registered retirement income fund (RRIF) and have the tax credits available in the year of death.

Following are some guidelines to handle such gift arrangement:

When a prospective donor provides written advice that SJFTB has been named as a beneficiary of an RRSP/RRIF fund, the information should be recorded in a donor record.

When the gift of RRSP/RRIF proceeds are actually received by SJFTB, it will likely flow from a third party source (i.e. an investment firm, bank, brokerage house or trust company, where the donor has documented the beneficiary designation on file).

In such cases, it will be important to acknowledge receipt of the gift from the financial institution, and it is usually appropriate to advise the estate executor (if known) and/or immediate family of the gift being received.

The proceeds of such gifts should be recorded as an outright gift or cash when received, and a donation receipt for the full amount received should be issued to the estate.

2.8 Gifts of Residual Interest

Definition

A residual interest gift refers to an irrevocable legal arrangement under which property is deeded to SJFTB but the donor retains use of the property for life or term of years after which time SJFTB takes possession.

Policy

At the time of the gift, a donation receipt will be issue for the present value of the asset at the time of irrevocable transfer in accordance with CRA guidelines.

Guidelines

The Executive Committee must approve acceptance of all gifts of residual interest. A legal agreement must be drafted and reviewed by the donor's and SJFTB's legal counsel. SJFTB will provide prototype agreements and financial illustrations upon request.

For gifts of residual interest, the terms of the gift and the responsibilities for expenses shall be specified in a deed of gift executed by the donor and SJFTB. SJFTB reserves the right to inspect the property from time to time to ensure that its interest is properly safeguarded.

Related Policies

Policy # 1

Policy #2

Policy #3

Policy #4

Policy #6

Policy #7

Policy #8

Policy #9

Policy #10

FUND RAISING ACTIVITIES

INVESTMENTS (Non-Endowment)

DONOR LIST

DONATION OF ARTWORK

DONATIONS FOR ST. JOSEPH'S CARE GROUP

GIFTS IN KIND

INVESTMENT POLICY STATEMENT)

DONOR RECOGNITION and STEWARDSHIP

DONATIONS FROM ESTATES