

 <p>THE FLOWER CART GROUP</p>	<p>Policy Section 5: FUNDRASING</p> <p>Policy: Gift Acceptance</p> <p>Policy # 5.1</p> <p>Date of Origin: January 23 2018</p>
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1. Purpose:

To articulate a Gift Acceptance Policy for the Flower Cart Group (FCG).

2. Definitions:

- 2.1 Gift – a voluntary transfer of property owned by the donor in which no consideration or benefit flows to the donor.
- 2.2 Designated Gift – a gift to the FCG given for a specific purpose.
- 2.3 Undesignated Gift – a gift to the FCG given for other than a specific purpose.
- 2.4 Donor – a private individual, corporate body (profit or not-for-profit), foundation, benevolent organization, etc.
- 2.5 Property – cash, securities, life insurance policies, annuities, real property including land, structures, etc.
- 2.6 Bequests – gifts promised/given usually through a donor’s will.
- 2.7 Gift Agreement – a written agreement/record/acknowledgement, when requested, between a donor and the FCG where the donor’s gift is designated for a specific purpose.
- 2.8 CRA – Canada Revenue Agency.
- 2.9 Gifts-in-Kind – material, non-cash gifts for which an income-tax receipt may be issued. (CRA’s treatment of gifts-in-kind for income-tax purposes varies depending on gift type, fair market value, possible benefits to the donor, the receiving organization’s budgeted requirements, etc.)
- 2.10 Fair Market Value – an estimate of the market value of a property based on what a knowledgeable, willing and unpressured buyer would pay to a

knowledgeable, willing and unpressured seller in the market. (The valuation of potential gifts to the FCG must be sourced from an independent, arms-length, qualified and authoritative source).

- 2.11 Planned Giving – giving that encompasses a wide variety of gift types but not accruing to the FCG until some future time.
- 2.12 Endowment Fund – a gift intended to generate income through the investment of a principal amount that remains permanently set aside for investment purposes. The income from an endowment fund may be designated by the donor for a specific purpose or may be undesignated.
- 2.13 Donated Services – non-tangible gifts of labour, advice, time, professional services (accounting, architectural, financial etc), intended to benefit a FCG purpose, program or project.
- 2.14 Sponsorship – a gift type that may or may not qualify for an income-tax receipt from the FCG.

3. Detailed Policy Statement:

- 3.1 The FCG, including the Executive Director and Board of Directors will ensure that relationships with donors or potential donors will adhere to the highest ethical standards. Any actual or potential conflict of interest a representative of the FCG may have or is likely to have with a donor is to be disclosed in accordance with Board Policy 2.3 – Conflict of Interest.
- 3.2 The FCG and its representatives will ensure that donors and potential donors are made aware of the aim, scope and other details of any project, program or other purpose with respect to gifts to the organization.
- 3.3 The FCG will accept gifts provided that the gift itself and/or any conditions imposed in its giving are consistent with the FCG's values, vision, mission and on-going operations.
- 3.4 The FCG will not accept gifts that are questionable in their origin, those which may pose a threat to the FCG's reputation, or be in conflict otherwise with its values, vision and mission. Moreover, the FCG will not accept gifts which may create an undue financial or administrative burden to the organization.
- 3.5 Gifts designated for a specific purpose will be used for that purpose.

- 3.6 Gifts that are undesignated will be used for such purposes as the FCG deems most appropriate to advance its mission and welfare of its participants.
- 3.7 The FCG will distinguish potential gifts of sponsorship from other gift types and advise the donor if such a gift is or is not receiptable for income-tax purposes.
- 3.8 The FCG will use the best ethical and accepted practices in the receipt, recording and accounting of all gifts including the establishment of a secure, accurate and up-to-date gift/donor data base.
- 3.9 The FCG will acknowledge all gifts valued at \$10 or more and provide a timely, income-tax receipt to donors.
- 3.10 The FCG will ensure it complies with all CRA rules and regulations pertinent to gifts to not-for-profit, charitable organizations.
- 3.11 The FCG will protect the confidentiality of donor information including but not limited to donor identity, contact information, gift amounts and frequency of giving.
- 3.12 The FCG will not sell, trade or otherwise disclose to third-parties, donor information of any kind except that which may be required by law. Board members are bound by the provisions of Board Policy 2.4 - Confidentiality of Information in this regard. Members of the FCG staff who deal with charitable donations are to consider themselves similarly bound.
- 3.13 Donor requests for anonymity in making a gift to the FCG will be honoured.

4. Implementation:

- 4.1 This policy is to be read in conjunction with Board Policy 5.2 - Donor Recognition Policy.
- 4.2 This policy is fully supportive of the attached Donor Bill of Rights. *The Donor Bill of Rights was compiled by the Association of Fundraising Professionals (AFP) of which the FCG is a member.*
- 4.3 The Executive Director will ensure the establishment of best practices and procedures to receive, record and manage data base information with

respect to gifts to the FCG. Best practices and procedures will ensure the appropriate training of staff, consistent formatting of data-base entries, data-base maintenance, timely entries, accuracy and information back-up.

- 4.4 Gifts of Sponsorship may be receipted for income-tax purposes dependent upon the level and type of recognition a donor expects in return for their gift. A donor's requirement to advertise or promote its brand, products or services may exceed standard gift acknowledgement. Such conditions attached to a gift may not allow the FCG to issue an income-tax receipt. The FCG will discuss these issues with a potential sponsorship donor prior to any agreement being reached.
- 4.5 The Executive Director will ensure that the gift/donor data-base accurately reflects designated and undesignated gifts.
- 4.6 The Executive Director will ensure that gifts are receipted in a timely manner and in the same calendar year in which the gift is received.
- 4.7 In the gifting process, the FCG will advise donors that if a purpose/project for which designated gifts are given, cannot be realized, the gift will be directed to other FCG purposes/projects. Donors may participate in deciding how their gift is to be redirected within the FCG. Donors will also have the option to revoke future pledge promises regarding the unrealized purpose/project. Similarly, donors shall also be advised that should gift amounts exceed the requirements of a purpose/project, any unused gifts will be directed to other FCG purposes. Donors may revoke future pledge promises if a purpose/project is fully funded.
- 4.8 Donors will be kept regularly apprised of the status of a purpose/project to which they have contributed.
- 4.9 The decision to accept or to not accept potentially controversial gifts may be referred to the FCG Board of Directors.
- 4.10 As a rule, the FCG will require donors to acquire the valuation/appraisal of non-cash/securities donations/gifts from a mutually agreed, independent person/organization qualified and authorized to provide such information.
- 4.11 Handling of Gift Types
 - 4.11.1 - Cash – the FCG accepts cash, cheques (including post-dated cheques), money orders, credit-card payments (e.g. Pay Pal) and pledges of cash or cash equivalent.

4.11.2 - Publicly Traded Securities – the FCG accepts publicly traded securities including stocks, mutual fund units, bonds, income trust units, etc. The value of respective securities is based on their closing stock market value on the day of transfer to the FCG. Prior to accepting a donor’s proposed gift, the FCG shall satisfy itself that it will not be subject to any onerous regulatory obligations once the security is received. While not bound to do so by law, the FCG may consider the immediate sale of donated securities. The FCG will not accept the gift of a security if the donor requires the FCG to retain the gift indefinitely (not applicable to endowment funds).

4.11.3 - Non-Publicly Traded Securities – accepting offers of non-publicly traded securities by the FCG is to be discouraged (a position held by CRA for not-for-profit organizations) but may only be approved by the FCG Board of Directors.

4.11.4 - Life Insurance Policies – the FCG accepts life insurance policies when the FCG is named as the sole policy owner and beneficiary (income-tax receipts cannot be provided to the donor if the policy is not so designated). Income-tax receipts may also be issued to the donor for payment of ongoing premiums to fund the policy. If the donor does not continue to pay premiums prior to the policy maturing, the FCG may opt to do so or convert the policy to paid up for value or surrender the policy for its cash value.

4.11.5 - Real Estate – subject to review by the Board of Directors, the FCG may accept gifts of real estate. The donor will be required to provide an appraisal of the fair market value and an environmental audit of the property from a qualified, arms length provider(s) of such services. Moreover, a title search may be required to verify ownership and that the property is free and clear of any court judgements and/or liens. The FCG will not accept real estate or properties on which an outstanding mortgage exists. In the event the FCG accepts a gift of real-estate, the property may be sold or retained for FCG purposes.

4.11.6 - Tangible Personal Property – the FCG may accept gifts of personal property such as equipment, tools and other items directly related to the organization’s purposes. As well, gifts of jewellery, works of art, antiques, collections, etc. may be considered. Gifts with less than an appraised value of \$500 will not be accepted. Prior to accepting an item of tangible personal property, the FCG must have the belief that the property is marketable and can be quickly sold. Unless approved by the FCG Board of Directors, no gift will be accepted that requires special facilities or special security arrangements. Art work valued over \$1,000 must be

appraised by a registered appraiser. The calculation of the receipted amount for gifts-in-kind will vary, subject to CRA regulations.

4.11.7 – Services – pro-bono services are gifts provided without charge or other consideration to benefit a cause (FCG) and/or community at large. When a professional service is provided, ostensibly pro-bono, but a gift receipt is required, the service provider will invoice the FCG for those services. When the invoice is paid, the service provider may contribute an equivalent amount to the FCG and receive an income-tax receipt. The details of such arrangements shall be discussed and agreed upon before services are provided.

4.11.8 - Bequests – donations/gifts given to the FCG through a donor’s will shall, for the most part, be in the form of the property transfers noted above and should be handled as described. Income-tax receipts will be issued to the donor’s estate based on applicable CRA regulations.

4.11.9 – Other Planned Giving – promised giving can be in many forms including multi-year pledges and other bequests. The FCG will monitor and maintain contact with donors, as required.

4.11.10 – Endowment Funds – the FCG will consider donor requests to establish an endowment fund taking into account the principal amount, potential income, fund purpose and fund administration/costs. Approval to establish an endowment fund rests with the Board of Directors.

4.12 Payment of Fees – to the extent possible, donors are encouraged to pay for professional fees associated with the completion of their gifts to the FCG (appraisals, legal fees, accounting fees, financial services, etc.). In the event the FCG agrees to assume any such cost based on discussion with the donor, approval from the Board of Directors is required. The Board must be satisfied that the services rendered are necessary for the completion of the gift and that the associated fees are justified and reasonable.

5. Applicability: Board of Directors, Executive Director

6. Policy Authority: Board of Directors

7. Associated Policies, Procedures and Documents:

7.1 Board Policy 2.4 – Confidentiality of Information

7.2 Board Policy 2.3 – Conflict of Interest

7.3 Board Policy 5.2 – Donor Recognition

7.4 Board Policy 5.3 – Third Party Fundraising

7.5 A Donor Bill of Rights

8. Record of Amendments:

Revision #

Summary of Revision

Date Approved