

# COMMUNITY LIVING GUELPH WELLINGTON

## POLICY

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<b>Classification:</b>	Administration - Finance
<b>Subject:</b>	Fundraising and Gift Acceptance
<b>Policy #:</b>	C140
<b>Effective Date:</b>	January, 2004
<b>Revised Date:</b>	January, 2013

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**Policy:** A policy for fundraising and gift acceptance of property is important to ensure funds raised and donations received are used to further the mission of Community Living Guelph Wellington (CLGW) and should ensure consideration of the donors' objectives.

This policy will help to enhance long-term relationships with donors, and encourage donors and CLGW to work together to provide the most effective benefits to our community congruent with donors' broad philanthropic wishes.

CLGW will satisfy all applicable laws governing the charitable sector as set out by the Canada Revenue Agency.

The following terms and their corresponding definitions will be applicable to this policy.

Donate: To give or contribute to a charity or cause.

Donation: Gift.

Donor: A person who makes a gift of property (cash or gifts in kind [not services])

Fundraising: To collect funds for a specific purpose

Gift: The act of giving by a donor without compensation

Gifts in kind: Non-cash gifts

Fair Market Value (FMV): The highest price, expressed in dollars, that property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are knowledgeable, informed, and prudent, and who are acting independently of each other.

## **Fundraising and Gift Acceptance**

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#### **Consistency with Mission**

Fundraising activities and gifts must be consistent with the overall mission, strategic intent and all applicable statutory provisions of CLGW. They must not compromise CLGW's integrity.

#### **Area of Focus**

The principal area of focus for CLGW's fundraising activities will be the City of Guelph and Wellington County.

#### **Gifts Not Accepted**

CLGW and its Resources Committee reserves the right to decline a gift based upon the following considerations:

- incongruity with CLGW's Mission Statement;
- possible controversy into which CLGW may be drawn;
- conditions or limitations that a donor seeks to impose;
- cost of CLGW ownership for administration and management;
- compliance with laws;
- other risks and liabilities to CLGW.

#### **Gifts Accepted**

- CLGW prefers to accept gifts that are readily marketable, but reserves the right to use discretion in its acceptance considering the costs that may not be immediately obvious.
- Donations of securities are "gifts in kind" which fall into a category that includes artwork, real estate, life insurance, and residual interest in real property.
- For gifts in kind, the eligible amount of the gift cannot exceed the deemed FMV of the item. An appraisal is recommended for items valued at \$1,000 or more.
- Gift-related costs such as legal fees, inspection fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property may be the responsibility of the donor.
- Gifts that potentially have hidden related costs must be reviewed and approved by the Resources Committee of CLGW. Before acceptance of a gift, relevant information shall be ascertained and disclosed, including a copy of any appraisal secured by the donor.

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- CLGW reserves the right to obtain its own appraisal for gifts for which the value is not readily ascertainable.
- Outright gifts of life insurance, cash, publicly traded securities, or other financial instruments do not require approval by the Resources Committee of CLGW unless there are unusual restrictions or circumstances involved.

#### Gift Agreements

- CLGW encourages donors to work with professional advisors in making gifts. 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, the work of CLGW, and the uses to which the gift will be put.
- CLGW will not serve as a trustee of charitable remainder trusts or as executor of a donor's will.
- The Executive Director is authorized to negotiate gift agreements with prospective donors and their professional advisors in accordance with the guidelines set out in this Policy.
- CLGW 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. CLGW legal counsel shall review all gift agreements.
- Tax-receipted gifts cannot be conditional.
- Non-receipted gifts must also be unconditional and the Association should not make representations as to the use of the gift and any conditions that are imposed with the gift.
- The legal nature of a charitable gift is that a donor cannot expect or receive financial benefits or opportunities to flow from the gift.

## COMMUNITY LIVING GUELPH WELLINGTON

### PROCEDURES

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**Procedure:**

**Fundraising Practices**

The Resources Committee of CLGW will monitor fundraising activities and receipting of gifts and review appropriate proposals for fundraising received by CLGW; recommend both long- range and short-term fundraising plans; ensure fundraising activities are consistent with the overall mission and intent of CLGW and does not compromise CLGW's integrity, and make policy recommendations regarding fundraising.

The Resources Committee will submit a report annually to the Board of Directors regarding fundraising events, results and future plans.

Fundraising solicitations on behalf of CLGW will:

- be truthful;
- describe CLGW's activities and intended use of raised funds;
- respect the dignity and privacy of those who benefit from CLGW's activities;
- include the name and address and contact information for CLGW on printed solicitations;
- inform donors and prospective donors, upon request, whether an individual soliciting funds on behalf of CLGW is a volunteer, an employee, or a hired solicitor;
- when required by the donor, provide the following information:
  - CLGW's most recent Annual Report and Financial Statements;
  - CLGW's Business Number (BN) as assigned by Revenue Canada;

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- a listing of the current Board of Directors;
- a copy of this Policy
- Volunteers, employees or hired solicitors who are working to raise funds on behalf of CLGW shall:
  - adhere to the provisions of this policy;
  - act with fairness and integrity, within accordance of applicable laws;
  - not accept donations for purposes that are inconsistent with CLGW's objects or mission
  - will keep adequate books and records
- Community members and employees interested in fundraising for CLGW will be expected to complete an Application for Fundraising (Form Fi20). The submitted Application for Fundraising will be reviewed by the Fundraising Committee or designate. Only approved Applications for Fundraising can be pursued.
- An employee/volunteer needs to ensure there is an awareness of the time and resources required and that adequate planning has taken place. The employee must discuss the fundraising idea with other team members and ensure they are supportive before submitting the Fundraising application.
- A final report will be composed following each fundraising event by the organizers along with a representative of CLGW and submitted to CLGW. The report will provide a description of the event, revenues received, expenses incurred, the net proceeds, work leading up to the event, contacts and future prospects, members of the committee and recommendations to improve event.
- The Resources Committee of CLGW will be informed of type and resolution of complaints received from donors or prospective donors about matters that are addressed in this policy.

### Receipting of Gifts

- In order for a "donation" to be considered a gift and therefore receiptable it must involve four elements namely, be 1) voluntary 2) a complete transfer 3) property, and 4) donative intent/financial sacrifice on the part of the donor.

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- If the donor receives an advantage of over 80% of the value of the donation, then generally it will be considered that there is no “donative intent” and no gift. Therefore no receipt will be issued where the value of the advantage returned to the donor is more than 80% of the FMV of the gift.
- Donors of non-monetary eligible gifts (gifts in kind) will receive an official receipt that reflects the deemed FMV of the gift, the FMV of an item does not include taxes on purchasing the item.
- Documentation should be kept relating to the determination of the FMV of the gift. It is the responsibility of CLGW to determine the value of the donation. The receipt must be for the lesser of a) the gift’s FMV or b) its cost to the donor immediately before the gift is made (receipts for the cost of the gift must be provided to CLGW).
- Donations by companies that contribute door prizes or promotional material that it produces in the normal course of business will not be receipted.
- Contributions of services provided to the charity do not qualify as gifts therefore CLGW will not issue a receipt.
- CLGW will issue receipts upon acceptable determination of the value of the gift. Minimum donations of \$10.00 or more are receipted; donations under \$10.00 will be issued upon request.
- Negotiable securities will be disposed of immediately unless it makes more economic sense to delay the sale. Subject to current legislation, tax receipts will be issued to the donor at the FMV of the securities **on the date** on which CLGW has control of such securities.
- Donations of shares will receive an “in kind” charitable donation tax receipt, that includes a note that this is an “in kind gift” of X number of shares of XYZ company, valued at \$X per share on X date.
- CLGW shall endeavor to issue a charitable tax receipt within a month of receipt of a gift. Letters of acknowledgement from the Administration office will accompany each receipt.

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- The Form T3010, Registered Charity Information Return, will be filed on time, and it will list the total eligible amount of all gifts for which CLGW issued tax receipts as well as all the gifts received for which a tax receipt was **not** issued by the charity. The total non-tax-receipted revenue from fundraising is also included on this return. The President of the Board of Directors is required to certify the accuracy of the return.
- A receipt will not be issued in a name other than the name of the true donor.

#### **Donor's Rights**

- Donors and prospective donors will be treated with respect.
- Donors seeking information on Planned Giving will be encouraged to seek independent advice.
- The privacy of donors will be respected. Any donor records that are maintained by CLGW will be kept confidential. Donors have the right to see their own donor record and to challenge it's accuracy.
- CLGW will not exchange, rent, or otherwise share it's donor list with any other organization.
- CLGW will respond promptly to concerns by a donor or prospective donor about any matter that is addressed in this policy. A designated staff member or volunteer will attempt to resolve the concerns raised. If the donor is dissatisfied with the recommended resolution, he/she will be informed that they may appeal in writing to the Resources Committee of CLGW. The appeal will be answered in writing.
- Any instructions or advice from the donor about how the organization will handle a security after the gift is made are not obliged to be followed. The donor cannot request that the funds be spent in any particular fashion.

#### **Donor Recognition**

- Donor's wishes regarding recognition or anonymity regarding a gift shall be respected, provided that any recognition is consistent with CLGW's usual standards of practice and legal requirements.
- CLGW will show its appreciation and recognize donors in a variety of ways.