

## **GIFT ACCEPTANCE POLICY**

### **1 Background**

Voluntary charitable contributions to the Assiniboine Park are critical to its redevelopment and sustainability for the future. The Assiniboine Park Conservancy welcomes gifts, which enable it to fulfill its mission to protect, nurture and enhance Assiniboine Park to provide extraordinary visitor experiences for present and future generations. The tax laws make it an important obligation of the Assiniboine Park Conservancy to record and acknowledge all gifts received. The Assiniboine Park Conservancy can issue official charitable receipts for all charitable gifts received in compliance with the requirements of the Income Tax Act. The Assiniboine Park Conservancy is a registered charity under Canada Revenue Agency. Its business number is 80866 4015 RR0001.

### **2 Rationale**

This document has been established to:

- 2.1 ensure that informed decisions are made on the acceptance of gifts and that such gifts are received in accordance with the requirements of the Income Tax Act.
- 2.2 ensure that efficient administrative, legal, and accounting practices and procedures are followed.
- 2.3 enable accurate reporting of gifts bestowed upon Assiniboine Park Conservancy.
- 2.4 ensure consistent, equitable relations with donors.

In order to ensure that this Policy continues to be effective, it shall be reviewed every two (2) years. The Assiniboine Park Conservancy's Campaign Cabinet is responsible for initiating this review.

### **3 Scope**

This policy is established to govern the acceptance of all gifts made to the Assiniboine Park Conservancy whether such gifts are inter vivos (lifetime) gifts or gifts from estates.

### **4 Gift Acceptance Committee**

The purpose of a Gift Acceptance Committee is to protect the interests of donors and the Assiniboine Park Conservancy. The Committee is responsible for assessing whether the terms of gifts are acceptable to the Conservancy; whether the Conservancy has the capacity to process and manage the gift; and for ruling on certain gifts where policy application is unclear.

The Gift Acceptance Committee is an ad hoc, advisory committee, chaired by a Conservancy Board member that meets if and as needed.

This Committee has the right to retain outside counsel, if and as required.

The Gift Acceptance Committee would make a recommendation to the Conservancy Board, where the final decision would be made.

## **5 Policy for Gift Acceptance**

- 5.1 The Assiniboine Park Conservancy holds itself to a high standard of ethical conduct, both within its own community of employees and volunteers, and in all of its external relationships and interactions.
- 5.2 The Assiniboine Park Conservancy will not accept gifts/sponsorships, enter into business relationships, or accept external support that will compromise its ethics, public image or commitment to its mission and essential values.
- 5.3 Unless otherwise determined by the Board, all gifts of publicly traded securities will be sold immediately (or as soon thereafter as is practical) upon receipt and the proceeds will be used as directed by the donor and in accordance with the guidelines of the Conservancy.
- 5.4 Assiniboine Park Conservancy may elect to accept or decline any gift. The final decision to decline a gift rests with the President & CEO and/or the Board of Directors.

### **5.5 Gift Eligibility**

The following gift vehicles are deemed eligible for acceptance by the Assiniboine Park Conservancy (defined in Procedure for Gift Vehicles):

*Outright gifts of cash, shares, stocks or securities*

*Gifts-in-kind*

*Life insurance*

*Charitable Remainder Trusts*

*Bequests*

*Residual Interest Gift*

*Real Estate*

Procedures are maintained by the Resource Development Office for accepting all types of gifts and are outlined in a separate document.

## 5.6 Gift Limitations

When conditions placed on a gift offer are judged to be administratively difficult or not in Assiniboine Park Conservancy's best interest, the President & CEO, in consultation with other Park officials, may request that the terms of the gift be revised, or recommend to the appropriate individual that the gift be declined.

## 5.7 Gift Acceptance

5.7.1 When negotiating a gift on behalf of the Assiniboine Park Conservancy, the Gift Acceptance Committee will be consulted, to ensure due diligence prior to making a decision with respect to a gift which:

- might expose the Assiniboine Park Conservancy to an uncertain and potentially significant liability
- is precedent-setting or involves sensitive issues
- may have come from illegal activities
- involves a proposal to name
- because of its unusual nature, presents questions as to whether it is fitting with the Assiniboine Park Conservancy's mission.
- comes from a company that sells or promotes a product that is in direct conflict with the Assiniboine Park Conservancy's mission

5.7.2 Occasionally, funds sought and contributed for an Assiniboine Park Conservancy purpose are insufficient to make the project viable. If the Assiniboine Park Conservancy is unable to proceed, benefactors will be invited to redirect their contributions to an analogous purpose, and/or to curtail future pledge payments.

5.7.3 Gift agreements for outright gifts of \$100,000 or more will be recommended to the donor.

5.7.4 Terms of reference will be prepared for all deferred gifts with an estimated value of \$100,000 or more.

5.7.5 Undesignated gifts shall be used in the area of greatest need as the Assiniboine Park Conservancy determines will best advance its mission.

5.7.6 Designated gifts shall be used expressly for the purposes for which they are given, which must be consistent with the Assiniboine Park Conservancy's mission.

## 5.8 Gift Receipting

5.8.1 Charitable tax receipts for the Assiniboine Park will be issued solely by the Assiniboine Park Conservancy. This ensures accurate reporting of all charitable gift contributions to the Assiniboine Park, and ensures that donors are recognized for the total of all their charitable gifts.

## 6 Responsibility to Donors

While the primary interest of Assiniboine Park Conservancy is to seek donations, it has an ethical responsibility to the donor. In all matters involving a donor, the interest of the donor will be taken into account. Accordingly, professional staff, volunteers and members of the Board and Campaign Cabinet will adhere to the following:

### 6.1 Conflict of Interest

In cases of potential conflict of interest, those acting on behalf of Assiniboine Park Conservancy must declare the conflict and allow an impartial individual to act for Assiniboine Park. A conflict of interest is deemed to occur when individuals who present themselves as representatives of Assiniboine Park attempt to sell their own products to the donor; however, if the individuals present themselves as representatives of an outside firm and part of their financial counseling involves arranging planned gifts for Assiniboine Park Conservancy, no conflict would exist.

### 6.2 Legal and Other Professional Counsel

Professional staff and members of the Board shall in all cases encourage the donor to discuss proposed gifts with an independent financial planner, legal advisor and/or tax advisor of the donor's choice and at the donor's expense, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

As a service to the donor, Assiniboine Park's legal counsel may draft the gift agreement or other legal documents providing for a gift to Assiniboine Park, or assist the donor's legal counsel in drafting such documents. In these cases, Assiniboine Park Conservancy will accept the responsibility for the fees incurred by its own legal counsel. If a potential conflict of interest exists, Assiniboine Park Conservancy's legal counsel shall declare such conflict to the donor before proceeding. In the case of instruments drafted solely by the donor's lawyer, Assiniboine Park Conservancy's legal counsel may review such documents before they are accepted.

### 6.3 Ethics

All professional staff, volunteers and members of the Board will conduct themselves in accordance with accepted professional standards of accuracy, truth, and integrity. They will inform, serve, guide and otherwise assist donors who wish to support Assiniboine Park's activities but not pressure or unduly persuade or influence.

### 6.4 Privacy

Assiniboine Park Conservancy and its representatives will protect personal information of all individual donors and adhere to all legislative requirements with respect to protecting privacy (see Privacy Policy)

## **GLOSSARY OF KEY TERMS (Gifts)**

**Gift:** A voluntary transfer of monetary and/or non-monetary, from individuals, industry, Conservancy's and other sources to the Assiniboine Park Conservancy for either unrestricted and/or restricted utilization by the Park in pursuit of its mission. Gifts are made without expectation of return; no consideration - no benefit of any kind - to the donor or to anyone designated by the donor may result from the gift.

Gifts may be monetary (e.g. cash, cheques) or non-monetary (e.g. securities, real property, or personal property).

**Private Grants:** Revenues received by the Assiniboine Park Conservancy from individuals, corporations, Foundations, and other sources, for the support of Assiniboine Park initiatives. Such grants are similar to gifts – they are donatives in nature and they are bestowed voluntarily without expectation of any tangible benefit in return.

**Official Charitable Receipt:** The official charitable receipt is a statement issued by the Assiniboine Park Conservancy to donors that includes the business number issued to the Conservancy by Canada Revenue Agency, a declaration as to the value of the gift, date of the gift and name of the donor. Receipts are normally accepted by the Canada Revenue Agency to support the calculation of the allowable "non-refundable tax credits".

**Sponsorship:** Gifts or products donated to an event or program in which the company donating the item receives advertising benefit for the company. These donations are not eligible for a charitable tax receipt, based on CRA guidelines.

**Gift-in-Kind:** Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, automobiles, inventory, personal property, securities, and other physical assets or materials, which represent value to the Assiniboine Park Conservancy. A gift-in-kind does not include a gift of services.

**Retained gifts:** Gifts, given to the Assiniboine Park Conservancy, to be held permanently for the income derived, as part of the Assiniboine Park Conservancy's endowment fund(s).

**Undesignated/ Unrestricted gifts:** Gifts, given to the Assiniboine Park Conservancy, where the donor has not specified where in the Park the support is to be directed.

**Designated gifts:** Gifts, given to the Assiniboine Park Conservancy, where the donor has specified where in the Park the support is to be directed.

**Pledges:** These are contributions to Assiniboine Park Conservancy, which are pledged over a period of time (to a maximum of five (5) years, depending on the size of the gift and the nature of the appeal).

## **Procedures for Gift Vehicles**

The following gift vehicles may be received by the Conservancy.

### **Any Gift of Cash or Near Cash**

A gift of cash or near cash is generally without regard to the actual source of the funds (e.g. GIC, T-bills, bonds guaranteed by any level of government in Canada, proceeds from a RRSP or RRIF, bequests, trusts, etc.).

Cash gifts will be received and tax receipts issued in Canadian dollars. Foreign currency of any kind must be converted to Canadian dollars as soon as possible and a tax receipt may be issued once the gift “clears” the bank.

Near cash gifts will be converted to cash when received unless otherwise directed by the donor.

### **Any Gift of Publicly Traded Securities**

A gift of publicly traded securities is as defined in the current edition of the Income Tax Act of Canada. Such gifts include stocks and bonds that are traded on a prescribed stock exchange. Further, mutual funds and segregated funds are to be accepted as publicly traded securities. Tier three stocks (e.g. Venture Exchange) are not considered to be publicly traded securities.

Unless otherwise determined by the Board, all gifts of publicly traded securities will be sold immediately (or as soon thereafter as is practical) upon receipt and the proceeds will be used as directed by the donor and in accordance with the guidelines of the Conservancy.

The amount of the tax receipt issued by the Conservancy is based on the fair market value (FMV) of the securities determined by their closing price on the date of transfer to the Conservancy.

Donated securities traded in foreign currency will be receipted in Canadian dollars. The currency value will be determined at the close of business on the date the securities are transferred and the exchange rate used will be the rate used by the receiving investment company.

The President & CEO, Chief Financial Officer and Vice President of Resource Development are authorized to execute trade orders on behalf of the Conservancy to facilitate the orderly and efficient transfer or sale of securities by the Conservancy.

### **Gifts-in-Kind**

Gifts-in-kind include capital property, depreciable property, personal use property, a residual interest, a right of any kind, a license, a share or inventory of a business.

Donors who wish to donate in-kind gifts must provide to the Conservancy a written description of the property and their estimate of the value of the donation. The fair

market value of a gift-in-kind of \$1,000 or more must be determined by an external appraisal at the date of the donation (the date on which the beneficial ownership is transferred from the donor to the Conservancy) before an amount can be recorded for tax receipt purposes. The person who determines the fair market value of the property must be qualified to evaluate the particular property being transferred by way of a gift.

The third-party appraiser and the cost of the appraisal is generally agreed to jointly by the donor and the Conservancy. In some cases, however, the Conservancy may choose to get an independent appraisal with costs being incurred by the donor.

Generally, if the fair market value of the property is less than \$1,000, a member of the registered charity, or another individual, with sufficient knowledge of the property may determine its value.

The person who determines the fair market value of the item should be competent and qualified to evaluate the particular property being donated.

### **Life Insurance**

There are various methods by which a life insurance policy may be contributed to the Conservancy, making the Conservancy both the owner and the beneficiary. A donor may:

- assign irrevocably an existing paid-up policy;
- assign irrevocably a term-to-100 policy, on which premiums remain to be paid;
- purchase a new policy with the Conservancy as owner and beneficiary; and/or
- change the beneficiary on an existing policy to the Conservancy.

#### ***Gift of an Existing Policy***

In order to receive a tax receipt for the gift of an existing policy, the donor must absolutely assign ownership of the policy to the charity. The Conservancy would then assign itself as beneficiary of the death benefit.

If the policy had a policy loan at the time it was gifted, the charity is responsible for the loan repayment - not the donor. If the donor decided to repay the loan for the charity, then each loan re-payment made would qualify for a tax receipt.

If premiums are still required, then all future premiums paid by the donor are eligible for a tax receipt.

When a life insurance policy is gifted, a taxable disposition occurs. The donor is entitled to a receipt for the cash surrender value (less any loans against the policy, if any) in the year the gift is made. If the cash surrender value of the policy is greater than its cost, the donor is required to include the amount of the difference (cash surrender value - adjusted cost base) in his or her income. The income is taxed as normal income and not as a capital gain, and the tax receipt will cover the amount of income inclusion.

### ***Gift of a New Policy***

When purchasing a new policy with the charity as owner, the insured is the donor, and he or she must qualify for the insurance coverage (and submit to any medical tests required to issue the policy). In this instance, the donor's gift is the premium required to purchase the policy, for which a tax receipt is provided.

### ***Naming the Conservancy as Primary Beneficiary***

In this case, the donor's estate is entitled to a tax receipt upon death. Extreme care must be taken to properly record how the gift was received to ensure the appropriate tax receipt is issued.

Any of these types of life insurance gifts are acceptable to the Conservancy. In the event a policy is contributed on which premiums remain to be paid, the donor will be asked either to pay the premiums directly to the insurance company or to make equivalent contributions to the Conservancy that will be used to pay the premiums. If the donor does not cover the premiums by either of these methods, the Conservancy may surrender the policy for its cash value, elect a paid-up policy for a reduced amount, secure another donor to maintain the premiums, or pay the premiums from its own funds.

For greater clarity, any gift may be referred to the Conservancy Board or its Gift Acceptance Committee for acceptance if subject to possibly unacceptable restrictions or circumstances.

### **Bequests**

Bequests are gifts that come through a donor's estate at time of death. Sample bequest language for restricted and unrestricted gifts, including endowment, will be made available to donors and their lawyers to ensure that the bequest is properly designed. Sample language is attached. Donors will also be invited to provide information about their bequest provision and, if they are willing, to send a copy of the section of their will naming the Conservancy as a beneficiary.

During the probate of estates containing a bequest to the Conservancy, and during the post-death administration of revocable trusts containing dispositive provisions benefiting the Conservancy, the President & CEO, Vice President of Resource Development, or the Director of Donor Relations in consultation with the Conservancy's legal counsel, shall represent the Conservancy in all dealings with the lawyer and executor of the estate.

### **Charitable Remainder Trust**

A donor can enjoy the income generated from a trust funded with cash or securities for the rest of his/her life. The Conservancy receives the principle in the trust after the donor's death. The trust agreement for this deferred gift can be written to cover a spouse or another family member's life as well, or for a specific period of years.

In the year of the gift, the donor is entitled to a tax credit for the value of the remainder principal at that time. The donor is also able to avoid tax on a portion, and possibly all capital gains generated by the trust. The property included in the trust is not subject to probate.

There is a trustee fee involved with charitable remainder trust gifts, paid by the trust.

### **Residual Interest Gift**

A residual interest gift is a deferred gift that allows a donor to receive a charitable tax credit immediately for a gift of property (usually a principal residence) and retain the right to reside or keep it during one's lifetime.

The donor is entitled to a tax credit for the present value of the residual interest in the year of the gift. The donor is also able to avoid tax on a portion, and possibly all capital gain. The property included in the trust is not subject to probate.

There is a trustee fee involved with residual interest gifts, paid by the trust.

### **Real Estate**

A gift of real estate can be made to the Conservancy in the form of personal, commercial or recreational property. When the gift is made the Gift Acceptance Committee would meet to decide if the property will be added as a capital asset or if it will be sold on the open market and the funds derived used to further the Conservancy's mission. The donor will receive a tax receipt for the fair market value of the property on the day of deed transfer.