

Gift Acceptance and Valuation Policy

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GIFT ACCEPTANCE AND VALUATION POLICY

POLICY OVERVIEW:

The purpose of this Gift Acceptance and Valuation Policy ("GAVP") is to provide clarity about how GiveWise receives and stewards donor gifts.

The provisions of this Gift Acceptance and Valuation Policy apply to all gifts received by GiveWise for any of its programs or services. Specific gifts are considered on their merits, and final action is taken on those as authorized by the GiveWise Board of Directors.

This policy provides guidance to GiveWise regarding the planning, promoting, receipting, accepting, and disposing of charitable gifts and provides that all gifts accepted by GiveWise shall comply with charitable giving procedures according to all provincial and federal laws and regulations.

I. KEY TERMS & DEFINITIONS

Gift: A voluntary, irrevocable transfer of funds made by a donor without personal benefit. Cash gifts generally include payments made by cheque, money order, bank draft, debit card or credit card. Gifts may also be made by way of the transfer of ownership of other tangible assets (for example, publicly-traded securities, retirement funds, land, etc.). Once received by a GiveWise, a gift is eligible for charitable receipting. Gifts can also be referred to as contributions or donations.

Donor: Any individual, corporation, foundation or other legal entity that makes a charitable gift to GiveWise.

Pledge: A signed and dated commitment to make a gift over a specified period, generally two or more years, payable according to terms set by the donor, with scheduled (monthly, quarterly, semi - annual, or annual) payments. Future promises do not constitute a gift and are not eligible for charitable receipting. Funds must be received by GiveWise to be eligible for a tax receipt.

Gifts-in-Kind / Non-Cash Gifts: Gifts of property, including items such as gift certificates and gift cards (in certain circumstances), artwork, equipment, securities, and cultural and ecological property. A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.

Inter Vivos Gift: A gift made from one or more persons, during the lifetime of those persons (i.e. prior to death).

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

Complex Assets: A gift that is generally a non-cash gift, other than publicly traded securities.

Unreasonable: Generally considered beyond the normal scope of using good judgement.

Deferred Gift: A gift planned or pledged by an individual during her or his lifetime and made at a future date(s) during her or his lifetime, or as a testamentary gift (see definition below).

Personal Property: Refers to a personally owned asset, other than cash, including publicly traded securities or real estate or other assets, with a value that can be professionally determined (for example art, antiques, collections, vehicles, etc.).

Bequest: An amount that a registered charity receives from the will of a deceased person, as a gift of enduring property. Bequests are the most common of all deferred gifts. Bequests may be made in the form of specific bequests, residual bequests or contingent bequests.

Pooled Fund: Individual donors can irrevocably contribute cash or appreciated investment securities to a self serve investment fund. Gains and losses will be reflected in the individual fund on an established cadence.

II. SPECIAL POLICY NOTATIONS

1. Acceptance and Distribution of Gifts:

- a. **Oversight:** The Executive Director and Board of Directors shall delegate to designated employees or designates of GiveWise the ability to accept gifts on behalf of GiveWise. The Executive Director and Board of Directors shall have the sole and absolute discretion on gifts received which hold unclear, impossible, inadvisable, or impractical instructions for distribution. The Executive Director and Board of Directors shall also have the ability to recover costs for gifts that require additional administrative and/or other professional advice.
- b. **Compatibility:** All gifts must align with the charitable purposes and objects of GiveWise.
- c. **Prior Approval:** All gifts that are unusual in nature must be referred to the Executive Director and Board of Directors for prior approval.
- d. **Legal Advice:** GiveWise reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions and can seek to recover any excess fees incurred.
- e. **Fundraising Appeals:** The Executive Director and Board of Directors will establish and approve any GiveWise initiated public appeal for the solicitation of gifts.
- f. **Internal Records:** All documentation regarding donors must be maintained and controlled by the Executive Director or designate. All donor information is confidential and unavailable to the public unless prior written consent of the donor is obtained or otherwise required to be disclosed by law.

been met or cannot be completed for any reason as determined by the GiveWise Board, the remaining restricted contributions will be used where most needed.

The types of Donor-Restricted Gift Support include:

1. Donor-Restricted Gift Support for Special Projects – Example: A building fund
 2. Donor-Restricted Gift Support for Long-Term Purposes – Gifts that hold specific restrictions as to the application and use of the gift's principal and its income, for example, 10-year gifts.
2. **Types of Gifts:** Gifts can be generally categorized as either outright or deferred. GiveWise recommends that individuals seek Independent Legal Advice (ILA) prior to making any significant outright or deferred gifts.
- a. Outright Gifts:
 1. Cash Gifts - This includes cash, cheques, electronic fund transfers, and credit card payments. All cheques shall be made payable to “GiveWise Foundation Canada”. Cheques made payable to an employee, designate, or Director for credit to GiveWise will not be accepted as a gift to GiveWise.
 2. Publicly-Traded Securities - GiveWise will accept only publicly-traded marketable securities to be sold immediately without restriction, unless the security complies with GiveWise Investment Policy Statement and it is the recommendation of the Investment Committee that the security is added to GiveWise's investment portfolio.
 3. Real Estate - All gifts of real estate will be referred to the Executive Director and Board of Directors for prior approval. Prior to any acceptance of a gift of real estate, GiveWise may require the completion of the following, if appropriate: *arms-length appraisals, title search, a marketability check, an on-site evaluation, an environmental survey, determination of other costs or concerns.*
 4. Personal Property - Unique gifts will be considered by the Executive Director and Board of Directors. Acceptance is entirely at the discretion of the Executive Director and Board of Directors.
 5. Personal Shares of Private Companies – Will be accepted provided there is a professional valuation and an accepted plan to liquidate the shares. Any costs therein are the responsibility of the donor.
 - b. Deferred Gifts:

1. Estate Gifts - Consist of bequests to GiveWise through a Will or Testamentary Trust. GiveWise reserves the right to decline any gifts from the estate of a deceased donor that are not in compliance with this policy.
2. Planned Gifts - Deferred gifts may also consist, but are not limited to, the following types of planned gifts:
 - a. Wills
 - b. Life Insurance
 - c. Gifts in Kind
 - d. Registered Retirement Instruments
 - e. TFSA
3. **Gifts that Cannot Be Accepted:** GiveWise reserves the right to decline a gift. The following examples justify such an action, although other situations may also result in a declined gift:
 - a. Any gift with features contrary to the charitable purposes and objectives of GiveWise.
 - b. Any gift that violates any provincial or federal laws.
 - c. Any restrictive clause that may bring unwarranted pressure or embarrassment to GiveWise, the Board of Directors, or its employee or designates.
 - d. Any gift that contains unreasonable conditions, liens, or other encumbrances.
 - e. Any gift that presents exposure to unacceptable liability.
 - f. Any gift that could financially or morally jeopardize the donor or GiveWise.
 - g. Any gift where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for GiveWise.
 - h. Any gift that could jeopardize GiveWise's charitable status.
 - i. Any gift that could improperly benefit any donor.
 - j. Any gift that holds a condition that is revocable in any way.

IV. GIFT VALUATION GUIDELINES

1. **Establishing the Value of the Gift** - GiveWise must be able to determine the FMV of any non-cash gifts. Should GiveWise not be able to reasonably determine the FMV of a gift, the donor's acknowledgement will state a value of zero (\$0). If the FMV of an item can be easily determined (cash register receipt for new purchase), a third-party appraisal may not be required. The FMV of a gift-in-kind does not include taxes paid on purchasing the item.
2. **Guidelines** - Exceptions may be referred to the Executive Director and Board of Directors; however, GiveWise will be guided by the following:
 - a. Gifts valued at less than \$1,000 - A person with sufficient knowledge may establish FMV, documenting the basis used for the estimate and any other pertinent information.
 - b. Gifts valued at \$1,000 and over - FMV will be based on an independent appraisal completed by a qualified third party.

- c. Gifts of property - The property must be appraised by a competent and qualified individual in order to establish FMV. The name and address of the individual who complete the appraisal will be included on the official tax receipt. If the property was donated within ten years of acquisition or was acquired through a tax shelter arrangement, the deemed FMV rule will apply, as outlined by the CRA. The following exceptions apply: *gifts made as a consequence of a donor's death, gifts of inventory, real property situated in Canada, certified cultural property, gifts of publicly-traded securities, ecological gifts.*
- d. Gifts of Securities - FMV is based on the closing price of the units or shares recorded on the day the securities are received into GiveWise's brokerage account. GiveWise is not responsible for any loss in value that may occur between the donor's transfer of any security gift and its subsequent liquidation. GiveWise may recover extraordinary administration expenses related to this transaction.
- e. Gifts-In-Kind - The date of FMV will be established as the date of title transfer. In the absence of any ability to determine valuation, the donor's acknowledgement will carry a stated gift value of zero (\$0).

V. CONTRIBUTION DATE GUIDELINES & TIMING OF RECEIPT

Generally, the date of contribution of any gift will be defined as the date on which the donor irrevocably relinquishes control of the property to GiveWise. If the donor is deceased, the valuation date is the day prior to death. The Estate Trustee Information letter must be retained.

If the date of the gift cannot be determined, the following guidelines will be used:

1. Personal Property - Gifts of tangible personal property, no matter how delivered, are deemed to be accepted by GiveWise when title is transferred to GiveWise.
2. Credit and Debit Cards - Credit and debit card gifts are deemed to be accepted on the day the GiveWise's account is credited, providing funds have sufficiently cleared the banking system.
3. Real Estate - A gift of real estate is accepted when the Deed is registered in the name of GiveWise.
4. Gift of Securities - *Based on delivery method:*
 - a. *Electronically Transferred* – The date the shares are received in the GiveWise's brokerage account. The copy of the brokerage activity sheet must be retained.
 - b. *Hand delivered* – The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are received at GiveWise official corporate office. The stamped date with this notation must be retained.

- c. *Mailed* – The date the physical security certificates, the Authorization to Transfer Publicly Traded Securities Form are post marked. The envelope with the post mark must be retained.

Donors may collect a tax receipt on demand through their Giving Fund throughout the year and will have access to a receipt with cumulative giving at the end of the giving year. Receipts for cash contributions reflect the amount, the date received into the account, and will be issued to the account holder making the contribution. Timing of receipt at year end can be critical. Please see schedule below for cut off dates.

CONTRIBUTION TYPE	ACTION REQUIRED	TIMING FOR YEAR-END CONTRIBUTIONS
Electronic Funds Transfer (eTransfer) & Wire Transfer	Electronic Funds transfer can take up to 3 business days, therefore it is recommended the transfer be sent with enough time to be sure GiveWise receives funds by the last business day of the year.	Funds must be received by GiveWise by end of day 31 December.
Credit Card	Log into your Giving Fund on fund.givewise.ca and initiate the contribution by credit card.	Transaction must be completed by end of day 31 December.
Cheques	Mail to: GiveWise Foundation Canada 3251 Boxwood Court Abbotsford BC V3G 0A6	Cheque envelope must be postmarked on or before 31 December.
Publicly Traded Securities	Initiate transaction with your broker and contact GiveWise at donations@givewise.ca	Securities transfer can be a lengthy process and the transfer needs to be in complete custody of GiveWise by 31 December. Please discuss timelines with your broker.

VI. CONCLUSION

The policies set out in this GAVP are intended to assist and provide guidance for employee or designates at GiveWise involved in receiving and receipting gifts on behalf of GiveWise. All exceptions to this GAVP must be referred to the Executive Director and Board of Directors at GiveWise, especially those gifts that: *might expose GiveWise to uncertain liability; are precedent setting or may involve sensitive issues; are perceived to come from illegal or unethical activities; or are from individuals or organizations whose philosophy and values could be considered inconsistent with the overall philosophy and values of GiveWise.*

POLICY CONTROL:

- Policy Inception Date: 2020.06.12
- Current Version: 2021.04.21 V3 (2022.06.13)
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