

Charitable Gift Funds Canada Foundation

Gift Acceptance Policy

Charitable Gift Funds Canada Foundation/Fonds de Bienfaisance Canada (“GFC”) is a corporation governed by the *Canada Not-for-Profit Corporations Act* (the “CNCA”) and a registered public foundation (*Charitable Reg #8967103500 RR0001*)

GFC is governed by an independent volunteer Board of Directors (the “Board”) made up of individual directors.

Purpose and Scope:

In order to support GFC in the fulfillment of its charitable purpose and ensure that it meets the best standards in the charitable sector and maintains public trust, GFC is subject to this Gift Acceptance Policy.

This Gift Acceptance Policy is intended to outline GFC’s rules and guidelines regarding the types of gifts that will be accepted by GFC and the conditions under which these gifts shall be considered and received.

This policy applies to all prospective donations and gifts to GFC.

General Principles and Requirements of GFC:

GFC’s decisions under the Gift Acceptance Policy will be guided by the following criteria:

- 1. Regulatory and legality:** ensuring that all decisions conform to all legal and regulatory requirements of directors including their duties under the CNCA, and of charities including the Income Tax Act (the “Act”). GFC ensures that efficient administrative, legal, and accounting practices are followed in the acceptance of all gifts, and that those gifts are receipted in accordance with the Act.
- 2. Consistency:** ensuring that all decisions advance the charitable purposes of GFC and are considered under similar conditions and processes.
- 3. Reputation:** ensuring that no decision will, or will have the potential to, bring harm to the reputation of GFC or its charitable status. GFC will protect its integrity, autonomy, and values when accepting gifts. GFC will not accept gifts when a condition of such acceptance would compromise these fundamental principles or its charitable status.
- 4. Donor right to seek counsel:** The board of directors and all persons acting on behalf of GFC shall in all appropriate cases recommend that donors retain independent legal and/or tax advice regarding proposed gifts to GFC. Donors are encouraged to do so on their own accord in advance of any proposed in life or bequest gift contributions to GFC.

Eligible Donors:

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GFC may accept donations from individuals, organizations, corporations, partnerships, trusts, estates or other entities at its discretion and pending the ability and /or authority to do so by those respective entities.

Grants from other qualified donees may also be accepted but will not receive a donation tax receipt.

GFC reserves the right to issue or not issue a donation tax receipt for eligible gifts.

Irrevocability:

All gifts made to GFC are irrevocable and non-refundable to the donor. All accepted donations become the exclusive property of GFC.

Pursuant to the Act, a registered charity cannot return a donor's gift. If, however, GFC determines that it cannot use a gift to fulfill a donor's wishes, every effort will be made to best meet the donor's objectives while upholding GFC's charitable purpose.

Where GFC has received a gift from a donor with whom it no longer wishes to be associated (due to illegal acts or behaviour deemed to be unfavorable to the reputation of GFC), GFC will determine how to manage the gift in accordance with the Act in consultation with the Board and/or legal advisors.

Types of gifts for acceptance:

GFC may accept the following gifts on a case-by-case basis and the true donor of the assets will be provided receipts, if applicable, as outlined below:

- 1. Cash**
- 2. Publicly-traded Securities**
- 3. Private Company Shares**
- 4. Bequests under a Will**
- 5. Registered Plan proceeds as a beneficiary**
- 6. Life Insurance ownership and/or proceeds**
- 7. Real Estate**
- 8. Personal property**

Cash

GFC can accept gifts of Cash (including gifts of cash, cash equivalents, or gifts made by cheque or credit card). Cash or cash equivalents are valued at face value minus any benefit/advantage derived by the donor in accordance with the Act and CRA Guidelines.

Year-end gifts will qualify for current tax-year receipts if they are postmarked in the current calendar year or received and officially marked as same by the financial institution receiving the asset within the current calendar year.

Gifts of foreign currency (non-Canadian) will be receipted at the appropriate Bank of Canada foreign exchange rate on the date that ownership is transferred to GFC.

Tax receipts will be issued for amounts equal to or exceeding a prescribed minimum donation amount as set by GFC from time to time. Donors making donations below this amount may receive a tax receipt upon request.

Publicly Traded Securities

GFC can accept gifts of publicly traded securities. GFC retains the right to refuse a gift of publicly traded securities if it deems the securities to be illiquid, unmarketable or for some other reason that is in contravention of the Act.

All gifts of securities are recorded at the fair market value ("FMV") of that security at the close of market on the date that ownership is transferred to GFC. Donation tax receipts shall be provided for the FMV of the securities once ownership has transferred to GFC. Ownership transfer is defined by receipt of the securities in a GFC brokerage account.

Electronically transferred publicly-traded shares will be receipted based on the closing value of the respective securities on the date they are received in GFC's brokerage account, at the respective wealth firm or financial institution. Donors should be aware that the value of the stock may fluctuate from the time it leaves the origin location to the time it is received and owned by GFC.

FMV is defined as the published closing market price on the Toronto Stock Exchange or other relevant exchange where the security is traded. Should the value of the stock rise or fall after it has been transferred into the GFC brokerage account but prior to GFC selling same, the donor will neither benefit nor be disadvantaged. Any investment returns after transfer will be attributed to GFC.

Paper share certificates shall be valued and receipted based on the day the donor-signed certificate is delivered to GFC. If sent by mail, valuation will be based on the date the mail is received and opened at GFC. If securities are re-registered in advance in GFC's name by the issuing company and then delivered, the date which GFC receives the certificate(s) will be used for valuation.

Donor's receipts will not be reduced by the value of sale commissions. Any costs attributed to the transfer, sale or donation of the asset at the donor origin location are costs to the donor.

Private Company Shares

GFC may accept gifts of private-owned shares. GFC reserves the right to seek qualified counsel for any gift of private company shares.

GFC shall and prefers to liquidate or sell private company shares immediately. Gifts that are liquidated within 30 days of gift are considered within the timeframe for immediate liquidation.

Under exceptional circumstances, GFC may agree to hold private company shares for a period over 30 days, subject to its own review, valuation of underlying assets, and an appropriate dividend and liquidation plan.

GFC will conduct appropriate due diligence on all private company shares prior to acceptance, including a comprehensive valuation and /or review of all related legal documentation related to a private company share donation. Donors may be required to obtain an independent valuation, at the donor's expense, as a condition of acceptance of such private shares. Alternatively, GFC may obtain its own valuation at the donor's expense. GFC reserves the right to accept or reject any independent valuation.

GFC's reserves the right to refuse acceptance of private company shares for any reason in GFC's sole discretion. Such reasons for non-acceptance of private shares may include but are not limited to:

- inability to sell shares to qualified purchasers
- subjecting GFC to adverse tax or penalty consequences
- reputational risk or perceived reputational risk
- subjecting GFC to regulatory or compliance concerns
- complexity involved regarding the transfer of shares to GFC
- complexity or risk with voting rights or ownership structure

Bequests under a Will

GFC may accept donations made via a bequest in a testamentary instrument.

A bequest in a Will may be made in the form of cash or securities, subject to the wording of the Will and / or the executor's ability to do so. Where the transfer of securities is through a testamentary gift, such gifts are also subject to the publicly-traded securities and private shares acceptance portions of this policy.

GFC will make available sample bequest language to donors and their legal advisors on request. Donors may also be asked to provide additional information about their bequest provision to GFC through a Legacy Intention Form or by naming a Fund Successor pursuant to the Program Guide.

GFC reserves the right as a beneficiary to review accounting of an estate prior to acceptance of a gift. Requests for signing of releases in favour of an estate or of the personal representative of an estate shall be considered on a case-by-case basis.

Gifts made by bequest will be receipted in accordance with the Act and GFC policies and procedures.

Registered Plans proceeds as a beneficiary

GFC may accept gifts of registered plan assets when named as a beneficiary. Donors should speak with the registered plan provider to confirm the appropriate process and required paperwork on making beneficiary designations within their registered plan.

Gifts or registered plan proceeds will be receipted in accordance with the Act and GFC policies and procedures.

Life Insurance ownership and/or proceeds

GFC may accept gifts through a life insurance policy. A donor may:

- A. Assign ownership of an existing paid-up policy to GFC, irrevocably; or
- B. Assign ownership of a new or existing life insurance policy, on which outstanding premiums remain to be paid, to GFC, irrevocably; or
- C. Name GFC as a primary or successor beneficiary of the proceeds of an existing or new policy without transferring ownership.

A. & B. Ownership transfer policies

All life insurance policies where ownership would be irrevocably assigned must be reviewed by GFC and accepted in writing in advance of ownership transfer.

When ownership is irrevocably assigned to GFC, the donor may be entitled to a donation tax receipt:

- A. for the cash surrender value (if any) and for any premiums subsequently paid on the policy by the donor; or
- B. GFC may issue a donation receipt for the FMV of the policy. Where the donor is seeking a receipt for the FMV the donor must at their own cost obtain an independent actuarial valuation of the policy. Alternatively, GFC may obtain its own actuarial valuation at the donor's expense. GFC reserves the right to accept or reject any independent actuarial valuation.

If the ownership of a life insurance policy on which premiums remain unpaid is assigned to GFC, one of the following processes must take place for the issuing of a donation tax receipt for the premium payments:

- A. The donor may pay the premium directly to the life insurance company; or
- B. The donor may donate directly to GFC the equivalent of the premium payment(s) (plus any and all applicable administrative fees) and GFC will in turn make the premium payment(s). Donations to GFC to fund premium payments can be made in cash or as a gift-in-kind.

If the donor, for any reason, ceases to pay the premium on the policy, GFC reserves the right to exercise its full rights as owner of the policy, including its termination. GFC reserves the right to continue with premium payments if the donor is unwilling or unable to do so.

GFC prefers whole and universal life policies, and will only accept ownership of term life insurance where the gift is of permanent term insurance (term to 100). No other type of term insurance will be accepted, except where the Board has determined that it would be advisable.

Real Estate

GFC may under exceptional circumstances accept gifts of real estate, including gifts of land. GFC will consult with its legal advisors prior to the acceptance of any gift of real estate.

The donor shall secure at least one qualified appraisal of the property. GFC will also obtain an independent appraisal and reserves the right to obtain multiple appraisals.

GFC may review other relevant factors related to the gift including environmental assessments, zoning restrictions, encumbrances, marketability, current use, cash flow and intended future use to evaluate whether the acceptance of the gift would be in the best interests of GFC.

GFC may conduct an extensive environmental assessment of the property which may include an environmental audit. GFC will agree to accept the property if and only if it contains no toxic or otherwise harmful substances, or if these substances are removed or other remedies taken to ensure that GFC assumes no liability.

GFC is unlikely, pending circumstances, to consider accepting a gift of real estate that requires ongoing maintenance, management, leasing to tenants or for continued use for other purposes unrelated to GFC charitable purposes.

For gifts of ecologically sensitive land GFC is not a designated charitable organization approved by the Minister of ECCC.

Personal Property

A. Artwork

GFC may under exceptional circumstances, accept gifts of art and other cultural property. GFC will conduct due diligence on the proposed gift and may attach certain conditions to acceptance of such a gift.

An independent appraisal of the art or cultural property must be conducted at the donor's expense prior to acceptance. GFC reserves the right to obtain additional appraisals.

GFC is not a designated cultural institution under the *Cultural Property Export and Import Act*.

B. Other Personal Property

GFC may under exceptional circumstances, accept gifts of other personal property. GFC will conduct due diligence and may attach certain conditions to acceptance.

An independent appraisal of the item(s) must be conducted at the donor's expense prior to acceptance. GFC reserves the right to obtain additional appraisals.

Gifts that will not be accepted:

1. Gift Annuities

A gift annuity is a contractual arrangement whereby a donor transfers assets to a charity pursuant to an agreement authorizing the charity to purchase a commercial prescribed annuity that will pay a stipulated amount for the life of the annuitant(s) or for a term of years.

GFC will not participate or offer any gift annuity arrangements.

2. High-risk and complex assets

GFC in its sole discretion may refuse acceptance of any gifts it deems: to be high risk, to impose any debt or liability onto GFC, to be too difficult to process without the necessity of specific documentation to provide reasoning to the donor, or it is unable to appropriately value the gift.

Tax Compliance:

Under no circumstances shall GFC back-date donation tax receipts to benefit a donor where the gift was not made within the timeframe permitted under the Act and CRA rules for a specific taxation year.

Limitations and Exceptions:

Gifts and circumstances not covered by this Policy may be considered and shall be subject to review on a case-by-case basis to determine acceptance. Case-by-case decisions do not constitute a precedent for accepting future similar types of gifts.

Any exceptions to this policy shall explicitly require the approval by the Board.

Amendment and Review

This policy shall be reviewed and, if necessary, amended by the Board no less than every three years.

Approved 18 October 2023.