

# The Temiskaming Foundation

## Gift Acceptance Policy

**Preamble:** The purpose of this Policy is to provide guidelines for the types of outright gifts (cash, publically traded securities and marketable property) and deferred gifts (bequests, life insurance policies and proceeds, residual interests and charitable remainder trusts) that will be accepted by The Temiskaming Foundation.

The nature of a charitable gift is that a donor cannot expect material consideration (financial benefits of opportunities) to flow from the gift.

**1 Acceptance:** The Temiskaming Foundation will accept gifts of the following:

- Cash, cheques, credit cards
- publically traded shares
- life insurance policies and proceeds
- RRSP`s and RRIF`s
- pledges, to meet one of the minimum donation levels established by The Temiskaming Foundation within 5 years of the initial donation
- real estate and other tangible property upon approval of the Board for that particular gift
- other types of gifts upon express approval of the Board

Foundations are not permitted by Canada Revenue Agency to offer charitable annuity products or to accept any gift that creates a liability to the foundation.

The Temiskaming Foundation reserves the right to refuse to accept any gift, the type or origin of which may be controversial, or which may involve The Temiskaming Foundation in matters not consistent with its mission statement or purposes, or for which the donor desires to exert unacceptable conditions or control.

**2. Disposition:** gifts of real or tangible personal property will be disposed of as soon as possible, except in the case of express agreement with the donor.

**3. Costs of Acceptance:** appraisal, transaction or other costs associated with accepting the gift will be either paid by the donor or charged against the fund when established. The Temiskaming Foundation may retain its own appraiser or valuator, and accept such valuation, and may in the case of real property require a building inspection and environmental assessment.

**4. Publically traded securities:** these will be immediately sold unless the Investment Committee and the Investment Manager determine that they add value to the investment portfolio and fit with the Investment Policy.

**5. Charitable Receipt:** The Temiskaming Foundation shall issue a tax receipt to the donor upon acceptance of the gift by the Board, and where a fund agreement is being entered into, upon acceptance of the fund agreement expressed by resolution of the Board.

Board acceptance shall not be required for cash donations (including cheques and charge cards) which do not require a fund agreement, or which are being added to an existing fund, and the receipt for these shall be issued within 30 days after being received.

For gifts of publicly traded stocks, the tax receipt shall be issued for the sale price net of commission on the day of sale.

Receipts will be issued as per the Receipting Policy.

**6. Donor Direction Form:** if the gift is not being entered into an existing fund, or a new fund agreement is not being entered into, the donor may be requested to provide a written (signed and dated) direction for The Temiskaming Foundation to hold the gift in perpetuity.

**7. Donor Advice:** The Temiskaming Foundation encourages donors to work with their professional advisors in making gifts. The Temiskaming Foundation shall not solicit nor 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 on the donation, the work of The Temiskaming Foundation and the use to which the gift will be put.

**8. Donor Confidentiality and Recognition:** Donors' wishes respecting recognition or anonymity regarding a gift shall be respected. The Temiskaming Foundation is prepared to provide donors with recognition afforded donors of gifts of similar magnitude, immediacy of effect and degree of restriction.

**9. Fund Agreements:** The Temiskaming Foundation shall work with the donor at the time the gift is made to develop a fund agreement with respect to the name, nature and use of the gift.

#### **10 Specific Types of Gifts:**

**Cash:** - includes cheques and credit card payments

**Publicly Traded Shares:** The Investment Committee and Investment Manager shall be involved in scrutinizing and accepting a gift of publicly traded shares. They shall normally be immediately sold and proceeds invested in accordance with the Investment Policy then in effect.

**Property, including real estate, art and jewellery etc.:** The donor will be required to obtain a qualified appraisal. The Temiskaming Foundation may obtain its own appraisal, and issue the charitable receipt in accordance with that appraisal. The donor may be required to provide proof that it has clear title to the property. If there is the potential for the real estate to contain contaminants, the donor may be required to obtain and provide to the Board an acceptable environmental audit. For real estate containing buildings, the Board may require also a report of a building inspector that the buildings are in a satisfactory state of repair.

**Bequests:** If the donor advises The Temiskaming Foundation of a potential bequest in his or her will, The Temiskaming Foundation will provide the opportunity, if the donor desires, to have their names listed in foundation communication in accordance with the Donor Recognition Policy. The Temiskaming Foundation will encourage donors of bequests to enter into a fund agreement during their lifetime to carry out the intention of the bequest.

**Life Insurance:** a donor may:

- purchase a life insurance policy of which The Temiskaming Foundation is the owner and beneficiary, in which case the donor will receive a charitable receipt either for the amount of the premiums that donor donates to The Temiskaming Foundation for payment, or his/her estate will receive a receipt for the proceeds of the policy on the donor's death
- assign a paid up policy and receive a charitable receipt for the surrender value
- name The Temiskaming Foundation as beneficiary on an existing policy, and the donor's estate receives a charitable receipt for the amount of the proceeds.

**RRSP's and RRIF's:** a donor may designate The Temiskaming Foundation a beneficiary or alternate beneficiary. The donor's estate will receive a charitable receipt which will offset the income tax payable on the RRSP or RRIF.

**Residual Interest:** This is an arrangement under which property is deeded to The Temiskaming Foundation, but the donor retains the use of the property, or income from the property, for life or for a specified number of years. The donor will be responsible for taxes, insurance, maintenance, etc. The donor is entitled to a charitable receipt for the present value of the property at the time of the donation.

**Charitable Remainder Trusts:** this is a form of residual interest. The donor transfers the property to a trustee who holds and manages it. When the trust terminates, on the death of the donor or the passage of a specified number of years, the trust remainder is distributed to The Temiskaming Foundation.

Gifts of Residual Interest or Charitable Remainder Trusts will only be accepted by The Temiskaming Foundation after due consideration of all the factors by the Board. Each such gift will be treated separately in its own merits. The Temiskaming Foundation will not act as a trustee under a Charitable Remainder Trust.

This policy shall be reviewed annually by the Investment Committee which shall report to the Board or the Strategic Planning Committee whether it should be amended or expanded, and shall provide its recommendation in regard to such amendment or expansion.