



**THE UNITED CHURCH OF
CANADA FOUNDATION / FONDATION DE L'ÉGLISE
UNIE DU CANADA**

GIFT ACCEPTANCE POLICY

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Gift Acceptance Policy
for
The United Church of Canada Foundation / Fondation de L'Église Unie
du Canada

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The Foundation is grateful for all the gifts donors have provided for the work of the church and is honoured to be able to facilitate the tremendous generosity of the people of The United Church of Canada. The Foundation will adhere to all applicable legislation and regulations regarding the acceptance and receipting of gifts.

The purpose of this policy is to identify the various types of gifts to be offered and the general policies applicable to those gifts. Accepted gifts will be cost effective, will not entail undue liability, and will be in accordance with the guidelines of the Canada Revenue Agency.

A. General Policies

A.1 Acceptable Gifts

The United Church of Canada Foundation (“the Foundation”) may accept both immediate and deferred gifts from donors. An immediate gift refers to a contribution of cash or property including gifts-in-kind, which can be spent immediately or invested. Deferred gifts include bequests; life insurance policies; proceeds from RRSPs and RRIFs and TFSAs; gifts of residual interest in real property, the residue of annuities and charitable remainder trusts; gifts of securities; and endowments and other restricted funds.

A.2 Acceptable Purposes

Under ordinary circumstances, the Foundation will accept any form of endowment or immediate gift that a donor intends to establish within the Foundation to benefit either the Foundation and its work or an institution or ministry related to The United Church of Canada, such as congregations, theological colleges, camps and seniors’ homes.

In instances where the President deems that circumstances are exceptional, the gift will be referred to the Board of Directors or its designated committee for consideration.

A.3 Authorization

Foundation staff members are authorized to seek and accept immediate gifts and deferred gift arrangements with prospective donors, within the bounds of this policy and their individual position descriptions. Staff of the Church designated by mutual agreement between the Foundation and the Church may seek gifts and will facilitate the negotiation of specific terms with Foundation staff.

Gift agreements requiring execution by the Foundation shall first be reviewed and approved by the Foundation’s legal counsel. Where substantially the same agreement is used repeatedly, only the prototype needs to be approved.

The following gifts must be approved by the Board of Directors or a Committee that it may designate and by legal counsel as the Board of Directors or the Committee deems necessary. Before acceptance, relevant information about the gift shall be ascertained, including a copy of

any appraisal secured by the donor. The Foundation reserves the right to secure its own appraisal. The Foundation shall be satisfied concerning any appraisal. These gifts include:

- Gifts of real estate, shares in privately owned companies, stock options, tangible personal property, partnership interest, and other property interests not readily negotiable
- Gifts of residual interest in real property or an equitable interest in a trust

Gifts of cash, publicly traded securities, life insurance, and residuals of charitable remainder trusts or annuities do not require approval by the Board of Directors. Any gift, however, may be referred to the Board of Directors if subject to possibly unacceptable restrictions, or if it may create an undesired financial burden for or jeopardize the tax-exempt status of the Foundation.

A.4 Declining a Gift

The United Church of Canada Foundation may decline a gift if any one or more of the following conditions is known to exist:

- There are conditions to a gift and its designation which are not consistent with the objectives, values, and goals of the Foundation;
- The gift could financially jeopardize the donor or the Foundation;
- The Foundation does not have the resources to honour the terms of the gift;
- An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to the Foundation;
- There are physical or environmental hazards;
- There has been misrepresentation as to the nature or conditions of the gift;
- The gift could jeopardize the tax-exempt status of the Foundation; or
- The gift could improperly benefit any individual

If a decision is made to decline a gift, the donor, or executor where applicable, will be informed as soon as possible but no later than 60 days from the date on which the Foundation received detailed information in writing concerning the proposed gift.

A.5 Official Tax Receipt

The Foundation will issue an official receipt for donations that qualify as charitable gifts, in compliance with definitions and requirements stated in the Income Tax Act and current regulations of the Canada Revenue Agency.

For donations that are not considered charitable gifts, e.g. are made by other charitable organizations, the Foundation will issue written acknowledgement of receipt of the donation.

A.6 Confidentiality of Information

All information pertaining to donors and donations received by the Foundation is confidential and is subject to the Privacy Policy of The United Church of Canada Foundation.

A.7 Direction of Gifts

The Foundation will handle all monies put into its trust in accordance with the directions of the donor of the gift and all applicable laws, rules and regulations.

The Foundation will ensure that gifts are directed to purposes that are in accordance with the policies of The United Church of Canada as determined by the General Council. Within that requirement, donors may choose to have their gift fully expended or placed in a long term restricted fund such as an endowment or other restricted fund and may direct their gift to a specific program, fund, or project. The use of the gift may affect whether it can be expended or endowed. A gift may be declined as a result of the restrictions on the gift.

A.8 Amendments

This Policy may be amended at any time by the Board of Directors to meet changing circumstances.

B. Acceptance Policies

B.1 Gifts of Cash

The Foundation welcomes cash donations and will issue an appropriate official receipt for the donation.

B.2 Bequests

Bequests made to the Foundation may qualify as a charitable gift, if the terms and conditions of the bequest are consistent with the policies and requirements of the Foundation. In such case, the Foundation will issue an official tax receipt to the estate of the deceased.

B.3 Gifts of Life Insurance

The Foundation will accept gifts of life insurance, whether new, partially paid or fully paid-up, and will receipt such gifts in compliance with current regulations of the Canada Revenue Agency and requirements of the Income Tax Act.

Unless there are extenuating circumstances, the Foundation will not pay outstanding premiums on gifts of life insurance, and will so advise the donor prior to accepting the gift. If the donor is unable to continue premium payments on a policy given to the Foundation, the Foundation may cash the policy.

B.4 Gifts of Retirement Savings Plan/Income Fund and Tax Free Savings Account Proceeds (RRSPs/RRIFs and TFSAs)

The Foundation welcomes RRSP/RRIF and TFSA proceeds and will issue an appropriate official receipt for the donation.

B.5 Gifts of Residual Interest in Real Property and Charitable Remainder Trusts

At the time of the gift of a residual interest in real property the Foundation will issue an official receipt for the present value at the time of irrevocable transfer in accordance with CRA guidelines. If the income is redirected to the Church or back to the trust, the donor will be issued official receipts for this amount.

The Foundation welcomes being designated as the beneficiary of a Charitable Remainder Trust established at the financial institution of the donor's choice.

B.6 Gifts of Securities

The Foundation will accept publicly traded securities as "gift-in-kind" charitable donations and will issue an appropriate official receipt for such donation. The Foundation reserves the right to sell securities and manage the funds according to its investment policy.

Unless there are extenuating circumstances, all gifts of securities will be sold as soon as possible. Foundation staff may seek guidance from the Investment Committee or the board of directors if they believe an exception is warranted.

Any fees associated with the sale are costs to the Foundation and have no impact on the gift receipt.

Gifts of shares in a privately owned company may be accepted as long as the Foundation assumes no liability in receiving them.

B.7 Long Term Restricted Funds

The Foundation will issue a charitable donation receipt for the eligible amount(s) received from the donor.

As per above, in Section A.2, at least one institution or ministry of The United Church of Canada must be named as a recipient of any long term restricted fund. Other recipients must be Canadian registered charities in good standing with the Canada Revenue Agency, and follow charitable purposes that do not conflict with the policies of The United Church of Canada as defined from time to time by its General Council.

All such gifts should be discussed with Foundation staff and subject to a duly signed agreement that lays out the purpose and management of the gift including contingencies for the use should the original purpose become frustrated.

B.7.a. Endowment Funds

Endowment funds are gifts where the capital is held in perpetuity. Income, as per the Foundation's Disbursement Policy, from a donor-designated or donor-advised Personal Endowment Fund may be granted annually to organizations named by the donor. Income from an unrestricted Personal Endowment Fund may be allocated annually to United Church organizations through the Foundation's discretionary granting process.

A Personal Endowment Fund must achieve a balance of \$15,000 before granting may begin to United Church related institutions and ministries. The balance must reach \$50,000 before granting may begin to organizations that are not related to the United Church of Canada. Donors may achieve the balance through a single gift, several gifts, a bequest or a combination of lifetime installments and a bequest. While a fund balance is below the minimum granting threshold, the fund is considered an "Emerging Fund" and all investment income is reinvested to help bring it to the granting balance.

B.7.b. Other Restricted Funds

Other Restricted Funds are long term funds on which donors place stipulations relating to the time over which the fund held and how it may be used. The income and capital of an Other Restricted Fund may be granted annually to organizations named by the donor as per above in section A.2. The capital is not preserved in this type of fund and at a point in time, the fund will be exhausted by the grants made. Donors may contribute any amount at any time, either during their lifetime or through their estate, to an Other Restricted Fund and the Fund should meet the minimum balance required from time to time before beginning to make grants.

B.8 Gifts-in-Kind, other than securities

The Foundation welcomes gifts of all kinds, such as real estate, art, books, jewelry and other valuable items, and will issue a tax receipt for the gift as long as the gift can be readily sold. The amount of the official receipt will be determined according to CRA guidelines for the fair market value on the date the gift is transferred. The Foundation will sell the gift as promptly as possible and use the proceeds where they are needed the most or as designated by the donor.

B.9 Exceptional instances

When there are concerns not covered by this policy, the President will consult with the Board of Directors or a Committee that it may designate about such concerns, including the wisdom of accepting or declining a gift. The consultation may occur through e-mail or conference call.