



GIFT ACCEPTANCE POLICY

| | | | |
|------------------------|--------------------------|--------------------|--------------------|
| Category: | Financial Accountability | Number: | FA-1 |
| Responsibility: | Director of Finance | Approval: | Board of Directors |
| Approval Date: | Nov 27, 2017 | Issue Date: | Nov 30, 2015 |
| Next Review: | Nov 27, 2018 | | |

MISSION

Preeclampsia Foundation Canada is a non-profit, incorporated organization with charitable status. Its principal mandate is to educate the public by providing educational seminars and distributing educational materials on preeclampsia, HELLP syndrome and other hypertensive pregnancy disorders and also to donate funds to aid in preeclampsia research.

PURPOSE

Preeclampsia Foundation Canada solicits current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Foundation. These policies and guidelines govern the acceptance of gifts by the Foundation and provide guidance to prospective donors and their advisors when making gifts to the Foundation.

SCOPE

This policy applies to all gifts received by the Foundation for all fundraising activities of the Foundation, including: general donation, annual giving, planned gifts, special fund raising initiatives and campaigns.

POLICY

1. **Use of Legal Counsel**

Preeclampsia Foundation Canada shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.

2. **Conflict of Interest**

Preeclampsia Foundation Canada will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

3. **Restrictions on Gifts**

The Charity will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Charity will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the Foundation's charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Foundation. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of the Foundation.

4. **The Gift Acceptance Committee**

The gift acceptance committee shall consist of:

- a) the Director of Preeclampsia Foundation Canada;
- b) two members of the executive committee, appointed by the Director;
- c) such other members as appointed by the Director.

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to Preeclampsia Foundation Canada, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues when appropriate.

5. **Gifts must be:**

- a. **Voluntary** - given of free will.
- b. **Transferred** - from donor to charity or qualified donee.
- c. **Property** - cash or gifts "in-kinds" (not services).
- d. **Donative intent** on part of the donor (advantage must be less than 80% of the amount).

6. Types of Gifts

The following gifts are deemed eligible for acceptance by Preeclampsia Foundation Canada:

- Cash.
- Tangible Personal Property.
- Securities.
- Real Estate.
- Life Insurance.
- Charitable Gift Annuities.
- Charitable Remainder Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.

The following criteria govern the acceptance of each gift form:

- a) **Cash.** Cash is acceptable in any form i.e. cash, credit card payments, direct debit payments and cheques or money orders. Cheques or money orders shall be made payable to Preeclampsia Foundation Canada and shall be mailed to the Foundation's administrative offices.
- b) **Tangible Personal Property.** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - a. Does the property fulfill the mission of the Foundation?
 - b. Is the property marketable?
 - c. Are there any undue restrictions on the use, display, or sale of the property?
 - d. Are there any carrying costs for the property?

The gift acceptance committee of Preeclampsia Foundation Canada shall make the final determination on the acceptance of other tangible property gifts.

- c) **Securities.** The Foundation can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the investment committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the

restricted securities shall be made by the gift acceptance committee of Preeclampsia Foundation Canada.

Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the gift acceptance committee of the Foundation. However, gifts must be reviewed prior to acceptance to determine:

- a. there are no restrictions on the security that would prevent Preeclampsia Foundation Canada from ultimately converting those assets to cash;
- b. the security is marketable; and
- c. the security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The gift acceptance committee of Preeclampsia Foundation Canada and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

- d) **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, Preeclampsia Foundation Canada shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the Foundation prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift shall be approved by the gift acceptance committee of the Foundation and by the Foundation's legal counsel.

Criteria for acceptance of the property shall include:

- a. Is the property useful for the purposes of the Foundation?
- b. Is the property marketable?
- c. Are there any restrictions, reservations, easements, or other limitations associated with the property?

- d. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 - e. Does the environmental audit reflect that the property is not damaged?
- e) **Life Insurance.** Preeclampsia Foundation Canada must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may:
- a. continue to pay the premiums;
 - b. convert the policy to paid up insurance; or
 - c. surrender the policy for its current cash value.
- f) **Charitable Gift Annuities.** Preeclampsia Foundation Canada may offer charitable gift annuities. The minimum gift for funding is \$5,000. Preeclampsia Foundation Canada's Director may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule.

Preeclampsia Foundation Canada's Director may approve exceptions to this payment schedule. The Foundation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Foundation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Director of Preeclampsia Foundation Canada approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to Preeclampsia Foundation Canada general endowment funds, or to such specific fund as designated by the donor.

- g) **Charitable Remainder Trusts.** The Foundation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the gift acceptance committee of the Foundation. The Foundation will not accept appointment as trustee of a charitable remainder trust.
- h) **Retirement Plan Beneficiary Designations.** Donors and supporters of Preeclampsia Foundation Canada will be encouraged to name the Foundation as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable
- i) **Bequests.** Donors and supporters of Preeclampsia Foundation Canada will be encouraged to make bequests to the Foundation under their wills and trusts. Such bequests will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

7. Issuance of Charitable Donation tax receipts

Preeclampsia Foundation Canada, a registered charitable organization, will issue official donation receipts according to the rules set out in the Income Tax Act (Canada) and according to the guidance of the Charities Directorate of the Canada Revenue Agency (CRA).

Charitable receipts will be issued for **cash gifts only**, which qualify as charitable gifts, in accordance with CRA guidelines. Charitable receipts will not be issued for cash gifts less than \$20.

8. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to the Foundation. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Foundation.