



	SECTION: EHS ALL AREAS
	SUBJECT: Gift Acceptance Policy

GIFT ACCEPTANCE POLICY

1. OBJECTIVE

The Edmonton Humane Society (EHS) enriches the lives of people and companion animals through animal sheltering, programs and services, and community engagement. Philanthropic support is an important element in advancing animal welfare, providing best-in-class sheltering and resources to keep people and companion animals together. This policy is intended to provide a framework for gift acceptance at EHS.

2. PURPOSE

Fundraising for Alberta charities is governed by both Federal and Provincial regulations. Knowledge of these regulations is essential to compliance. Since EHS's success relies on the financial support of the community, public trust is vital to our mission.

The key to gaining and maintaining public trust is transparency and accountability in how our business is conducted and how donations are handled. This policy has been developed to specify guiding principles to inform decisions and actions of EHS with respect to fundraising.

Volunteers, staff or third parties who solicit or receive funds on behalf of EHS must:

- Understand and adhere to the "Code of Ethical Standards" and the "Donor Bill of Rights" created by the Association of Fundraising Professionals (see Codes in References).
- Understand and adhere to the "Code of Ethics" created by The Canadian Association of Gift Planners (see Code in References).
- Fundraise with fairness, integrity and in accordance with all applicable laws.
- Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure, or who states that they do not wish to be solicited.
- Disclose immediately to Edmonton Humane Society any actual or apparent conflict of interest or loyalty (for example, personal relationships, family members, financial stake).
- Not accept donations for purposes that are inconsistent with the organization's mission, or any existing position statements, policies or procedures.

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3. SCOPE

This policy applies to all EHS employees, contractors, student interns, and volunteers, including the Board of Directors. This policy describes the objectives and practices regarding maintaining the trust of those who make charitable donations of any kind to EHS.

Wherever possible, EHS strives to meet or exceed the standards set by leaders in the fundraising field such as Imagine Canada and the Association of Fundraising Professionals.

4. SOLICITATIONS

All fundraising solicitations by or on behalf of EHS must:

- Be truthful.
- Accurately describe the organization's activities.
- Disclose the organization's name.
- Disclose the purpose for which funds are requested.
- Disclose, upon request, whether the individual or entity soliciting donations is a volunteer, employee, or contracted third party.
- Disclose the cost of fundraising and how much is expected to be raised.
- Provide address and contact information of an EHS representative.

5. TREATMENT OF DONOR INFORMATION

EHS honours donors' and prospective donors' requests to:

- Limit the frequency of solicitations.
- Not be solicited by telephone or other technology.
- Receive printed material concerning the organization.
- Discontinue solicitations where it is indicated they are unwanted.
- Remain anonymous.

6. PRIVACY

EHS respects the privacy of donors. Donor records are kept confidential to the greatest extent possible. All staff and volunteers with access to donor records are required to sign confidentiality agreements.

Donors have the right to see their own donor record and to challenge its accuracy. EHS does not sell, rent, exchange, or otherwise share its donor list.

7. TRANSPARENCY

To demonstrate transparency and accountability, EHS posts a variety of information on our website, including our audited financial statements, annual reports, Registered Charity Information Number, members of our Board of Directors, members of our senior leadership team, processes for making complaints and privacy policies.

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8. GIFT DEFINITION

"A gift is a voluntary transfer of property for which the donor receives no benefit in return" (Canada Revenue Agency).

Donors to registered charities – EHS included - are eligible for a charitable tax receipt that may be claimed as a non-refundable tax credit on an income tax return.

No benefit of any kind may be provided to the donor or to anyone designated by the donor except where the benefit is of nominal value. Canada Revenue Agency defines nominal value as a fair market value of less than the lesser of \$75 or 10% of the amount of the gift.

9. QUID PRO QUO

If EHS provides something of value in return for a gift (including admission to a fundraising event), the donor's tax receipt is reduced by the fair market value of the benefit received.

10. NON GIFTS

The following transactions do not constitute philanthropy and are not eligible for charitable tax receipts:

- A gift of service.*
- The purchase of an item or service.
- Sponsorship of projects for which the donor retains right of property, including intellectual property.

*Note: Gifts of service cannot be tax receipted, but the service provider can choose to make a donation of the amount of the services rendered (this is often referred to as a cheque exchange). In such circumstances, these two distinct transactions **must** take place:

- a person provides a service to EHS, provides an invoice and is paid for that service.
- that same person makes a voluntary gift as defined above (including cash) to EHS and receives a charitable tax receipt.

11. TYPES OF GIFTS

In general, EHS will accept the following types of gifts:

- Outright gifts of cash, securities, or personal property.
- Real property.
- Charitable gift annuities.
- Charitable remainder trusts.
- Charitable lead trusts.
- Gifts of life insurance policies.
- Bequests.
- Beneficiary designations.

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- Public and private securities.
- Gifts-in-kind.
- Commonly traded virtual currency such as Bitcoin, Ethereum, Litecoin.

12. GIFT DESIGNATION

All gifts, regardless of value, form or designated use, should be made payable to Edmonton Humane Society. Donors may choose to have their gift fully expended or endowed and may direct their gift to a specific program, or project provided that:

- No benefit accrues to the donor or anyone not at arm's length from the donor.
- The donor does not specify an individual beneficiary for the gift.
- A decision regarding use of the donation within a program rests with the charity, although, where possible, EHS will act in concert with and be respectful of the donor's wishes.
- On rare occasions, a gift may be declined as a result of the limitations proposed by the donor. See Section 16 for guidelines on declining a gift.

13. TAX CONSIDERATIONS

In accordance with Canada Revenue Agency, EHS requires the following in regard to official donation receipts:

Receipts

Receipts are only issued for items and funds that EHS will be responsible for managing, utilizing and spending. Tax receipts will be automatically issued for gifts valued at \$20.00 CDN or more; tax receipts for gifts of under \$20.00 will be issued on request. Gifts will be consolidated and receipts mailed to donors annually, in the first quarter of the year for the prior calendar year. Alternatively, donors may request to have their receipts sent individually or consolidated via email. Staff are required to request all the necessary paperwork before issuing a charitable tax receipt. The appropriate paperwork is determined by EHS staff in accordance with required records as stated by CRA.

Preparation of Tax Receipts

Each receipt that is prepared must bear its own serial number and must be signed by an authorized representative of EHS. In instances of donations of property other than cash, the fair market value of the property at the time the gift was made, as well as the date of the gift, a description of the property, and the name and address of the appraiser is required.

Control of Tax Receipts

EHS and its employees guard against the unauthorized use of official receipts through the limiting of access to both electronic and paper files.

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Lost or Spoiled Receipts

EHS may issue a replacement for an official receipt. The replacement receipt must include a notation confirming it as a replacement for a specific receipt number (serial number of original receipt). EHS must mark its copy of the lost or spoiled receipt as "cancelled."

14. MEANS OF GIVING

EHS encourages and solicits contributions of cash, securities, and personal and real property, either as outright gifts or through planned gift vehicles in accordance with Canada Revenue Agency IT-110R3 - Gifts and Official Donation Receipts. Planned gifts include bequests, life insurance policies, charitable trusts, and gift annuities.

15. TYPES OF GIFTS

Gifts of Cash

Gifts of "cash" - cash, cheques, money order, electronic funds transfer (EFT) and credit card - are accepted by EHS.

Bequest

A bequest is a provision in a will, directing assets from an estate to EHS. There are several types of bequests that EHS accepts:

- A *specific bequest* provides EHS a specific sum of money, stated percentage of an estate, or a specific property such as real estate or securities.
- A *residual bequest* leaves all or a portion of an estate after providing for other beneficiaries.
- A *contingency bequest* ensures that EHS receives all or a share of the estate in the event of the prior death of certain other beneficiaries.
- A *residual bequest subject to life interest* applies when the donor chooses to have EHS receive the bequest following the death of certain other beneficiaries who have use of the assets in the estate for their lifetime.

Bequests are eligible for a charitable tax receipt. EHS always recommends that donors consult a lawyer or estate planner before completing a will and retains the right to decline a gift if the donor did not retain independent counsel.

Life Insurance

Gifts of life insurance may be contributed to EHS in two ways:

- A donor may donate an existing policy by designating EHS as the beneficiary and owner of the policy. EHS issues a charitable tax receipt for the policy's cash surrender value, including accumulated dividends and interest. If the policy is not yet fully paid-up, the donor will receive tax receipts for any additional premium payments made after the policy is assigned. Upon the donor's death, EHS receives the value of the policy.
- In donating a new policy that names EHS as owner and beneficiary, the donor will receive charitable

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tax receipts for the full amount of each annual premium. Upon the donor's death, EHS receives the value of the policy.

Donors may also choose to direct the insurance proceeds from an existing or new policy to their estate and to name EHS as the beneficiary of those proceeds in their will.

As per other specific bequests, the donor's estate would receive a charitable tax receipt for the proceeds of the policy.

Life insurance policies owned by the donor and naming EHS as beneficiary or secondary beneficiary are not eligible for a charitable tax receipt. In this instance, the gift is revocable, meaning- the designated beneficiary can be changed.

Public and Private Securities

Two types of gifts of securities may be accepted:

A donation of *public securities* traded on a recognized stock exchange and including stocks, bonds, bills and mutual funds. The value of such a gift is determined by the value of trading on the date received by EHS. Donations of public securities may be handled in one of two ways:

Transfer of securities: the donor may direct, in writing, the internal transfer of the gifted securities to EHS's account. The donor or their financial representative must complete a stock transfer form and provide it to EHS to verify the transfer.

Presentation of certificate: the donor may mail or deliver endorsed certificates to EHS or EHS's agent. In some instances, the donor's signature requires bank notarization. Instructions are on the reverse of the certificate.

Donors may also contribute *private securities*. The value of the gift and resulting charitable tax receipt is determined by a professional, independent valuation.

Gifts in Kind

EHS accepts gifts in kind such as pet supplies, equipment and other property.

Respecting the donor's wishes and EHS's programs, plans and needs, EHS may retain the gift or sell it and apply the proceeds in a fitting manner, where possible in consultation with the donor. A charitable tax receipt is issued for all gifts of property for the fair market value at the date of transfer when requested by the donor. EHS will seek independent appraisals for gifts in kind valued at greater than \$1,000. Where the gift is \$1,000 or less, Canada Revenue Agency will accept a valuation made by a staff member, provided the staff member is knowledgeable in the field and is qualified to establish the value of the gift.

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EHS has a gift in kind acceptance decision matrix in place that will be referred when accepting gifts in kind, to ensure all potential gifts of property meet EHS utilization needs.

Charitable Trusts

EHS may accept two types of irrevocable charitable trust arrangements:

- 1) A *remainder trust* that pays the donor income from the assets (real estate, securities, cash) for life or for a number of years, and then distributes the principal to EHS.
- 2) A donor contributing a *residual trust* donates an asset (personal residence, work of art, investment property) today, but retains the use of it during his lifetime.

Both remainder and residual trusts are eligible for charitable tax receipts. EHS encourages donors to consult a lawyer or financial advisor before establishing a trust and retains the right to decline a gift not involving professional counsel.

Charitable Gift Annuities

A gift annuity is an irrevocable transfer of money or other assets. A portion of the principal is used to purchase an annuity from an insurance company. The cost of the annuity is based on the donor's age and income requirements. The remainder of the principal is considered an outright gift used for the purpose specified by the donor. The annuity pays the donor a guaranteed income for a specific time or for the remainder of the donor's life. Upon death, EHS receives any remaining guaranteed income from the annuity, unless the donor has specified otherwise.

16. DECLINING A GIFT

EHS may choose to decline a gift when there are features to the gift that are contrary to either Canada Revenue Agency regulations or the objectives, values or goals of EHS.

The Director of Donor and Stakeholder Relations will report all gifts that have the potential of being declined to the CEO, who will consult with or inform the Board of Directors as appropriate.

The Director of Donor and Stakeholder Relations is responsible for developing a plan for communicating the decision to not accept a gift, taking into account the size of the proposed gift, the relationship with the donor and any other important context.

17. TERMINATION OF DONOR RELATIONSHIP

In the event that a donor that has an existing relationship with EHS and that donor has acted outside of the objectives, goals or values of EHS, that partnership may be terminated with reasonable notice to the donor. This may include ongoing fundraising activities or events including naming, sponsorship, marketing, and co-branding. It may also include the return of donated funds. All decisions to terminate an existing relationship will be made by the Board of Directors upon recommendation by the CEO.

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18. STANDARD OF PRACTICE

All those working on behalf of EHS shall conduct their activities in accordance with acceptable professional standards of accuracy, trust, integrity and good faith.

19. CONFLICT OF INTEREST

The interests of donors must come before those of EHS. No commitment should be urged upon any donor or prospective donor that would unduly benefit EHS, its employees, consultants, or volunteers at the expense of the donor's interests and welfare.

20. LEGAL CONSIDERATIONS

Prospective planned gift donors, and any other donors when appropriate, will be urged to consult their own legal and financial advisors before arranging and making a complex gift.

Staff members, volunteers and EHS consultants to the planned giving effort shall not give legal, tax, accounting or other advice to prospective donors but may provide illustrative materials and suggestions for review by donor's counsel.

EHS reserves the right to seek advice of independent legal counsel in accepting all planned or deferred gifts including but not limited to: bequests, living trust distributions, life insurance, charitable remainder annuity trusts, charitable remainder trusts, charitable gift annuities, charitable lead trusts, gifts of a personal residence or farm with a retained life estate, bank savings accounts held in trust, qualified terminal interest property trusts with charitable remainder and sales of real or personal property.

21. CONFIDENTIALITY

All information concerning donors (including their names and addresses, the names of beneficiaries, the nature and value of assets given, etc.) must be kept strictly confidential, except for general recognition or where a donor grants permission to use selective information for purposes of referral, testimonial, recognition or example.

22. UNDUE INFLUENCE

The role of representatives of EHS is to inform and assist prospective donors. They will exercise extreme caution to avoid pressure and undue influence when dealing with prospective donors.

EHS representatives involved in any fundraising effort are paid a salary, a fixed fee or are volunteers. They are not paid a commission, and under no circumstances do they have a personal financial interest in a gift.

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23. CHANGED CIRCUMSTANCES

If a gift that has been accepted for a specific program or purpose that can no longer be used as originally intended due to a discontinued program or similar circumstance, and the donor does not request the unused portion of the original donation to be returned, the gift will be applied to a program with similar objectives or, if not possible, to the EHS general fund.

24. GIFT ENTRY AND RECORDING

The timely and accurate recording and acknowledgement of donations is crucial to maintaining good relationships with donors. Procedures for accomplishing this are developed according to the following guidelines:

- All donations received will be documented with the relevant details of the donor's identity, the purpose of the gift, and contact information for acknowledgment purposes.
- The donation will then be given to the Finance Department whose responsibility it is to remove the negotiable items (cash and cheques) to deposit into the bank.
- Documentation for each donation will then be given to the Fund Development Department for entry into the Fund Development database.
- The Fund Development Department will record the gift and issue tax receipts and acknowledgement letters when necessary.
- All gifts should be acknowledged within four weeks of receipt at EHS.

25. ACKNOWLEDGEMENT

EHS has a donor naming and recognition program to ensure that gifts to EHS are acknowledged, recognized and stewarded appropriately.

26. PUBLIC RECOGNITION

Acknowledgement of gifts may also be in the form of public recognition either on an EHS donor wall (physical or electronic), naming of a room or program, or publication of the donor's name or logo. All gifts that require public recognition or naming require a gift agreement signed by the donor and an EHS representative.

All public naming will be for a specified period of time mutually agreed upon by the donor and EHS, but not to exceed 20 years.

Naming for bequests is not available unless a gift agreement including public recognition is signed with the donor prior to receipt of the estate donation, and held on file at EHS until such a time as the bequest is realized.

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27. REVIEW

This policy will be reviewed every three years or more often as Management deems necessary.

REFERENCES

- Canada Revenue Agency: <https://www.canada.ca/en/services/taxes/charities.html>
- Province of Alberta: <https://www.servicealberta.ca/491.cfm>
- AFP, Code of Ethical Standards: <https://afpglobal.org/ethicsmain/code-ethical-standards>
- AFP, Donor Bill of Rights: <https://afpglobal.org/donor-bill-rights>
- CAGP, Code of Ethics: <https://www.cagp-acpdp.org/en/code-of-ethics>

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