



Alzheimer Society Niagara Foundation
Policy: Gift Acceptance
Policy No.: 2013 - 01
Approved Date: January 8, 2013

## POLICY

The Alzheimer Society Niagara Foundation (hereinafter 'ASNF') is authorized to encourage donors to make both outright and deferred gifts to support the work of the Alzheimer Society of Niagara Region. Donations generally will be accepted from individuals, partnerships, corporations, organizations, government agencies or other entities without limitations – unless acceptance of gifts from a specific source is inconsistent with the beliefs, values and mission of the ASNF, may expose the organization to undue risk, may generate more cost than benefit, or that are restricted in a manner not in keeping with ASNF's goals.

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## PURPOSE

To inform and assist potential donors who wish to support the work of the Alzheimer Society of Niagara Region with a charitable gift that is in keeping with its needs and objectives and ensure that the cost of administering the gift is reasonably proportioned to the benefit received.

## DEFINITIONS

*Planned Giving* refers to any charitable gift that requires more thought and planning to execute than the average donation. It results in a major gift, in lifetime or at death, made with forethought about the benefit to the charity and the financial implications to the donor and donor's family.

*Bequest* is a gift designated in a donor's will and received by the charity after death.

*Charitable Remainder Trust* is an irrevocable trust established to provide payments for the life of one or more people or for a term not to exceed twenty years, with the irrevocable remainder being distributed to one or more qualified charities.

*Publicly listed securities* include stocks, bonds and warrants listed on a public exchange.

## GENERAL PROCEDURES/GUIDELINES

1. The policy of the ASNF is to inform, serve, guide or otherwise assist donors who wish to support the work of the Alzheimer Society of Niagara Region through the Foundation, but never under any circumstances exert pressure or unduly persuade.
2. Persons acting on behalf of the ASNF will encourage the donor to discuss the planned gift with independent legal and/or financial advisors of the donor's choice to ensure the donor receives a full and accurate explanation of the proposed charitable gift, and understands fully its implications.
3. The CEO, or his/her delegate is authorized to negotiate gift agreements with prospective donors and their professional advisors in accordance with the guidelines set forth in this Policy.

4. Outright gifts of cash, publicly traded securities, and life insurance do not require approval by the Board of Directors unless there are unusual restrictions or circumstances involved.
5. All planned giving arrangements requiring execution by ASNF will first be reviewed and approved by legal counsel. Where substantially the same agreement is used repeatedly, only the prototype needs to be approved.
6. The following planned gifts must be reviewed and approved by ASNF before being accepted by ASNF: outright gifts of tangible personal property (other than cash or publicly-traded securities); real estate; other property not readily negotiable; reinsured gift annuities; residual interest gifts except those received as cash or stock through a bequest and; Charitable Remainder Trusts. Before acceptance, relevant information about the gift shall be ascertained, including appraisals and other reports as required by law.
7. The Foundation will not issue gift annuities but may accept assets from a donor, pursuant to an agreement authorizing the Foundation to: a) use a portion of the assets to purchase a commercial annuity paying a stipulated amount to the donor and/or other annuitant; and b) retain the remaining assets for charitable purposes.
8. The Foundation will not serve as a trustee of charitable remainder trusts but may refer the donor to a trust institution that has agreed to provide this service.
9. All donors making a current or future gift to ASNF are entitled to recognition, in accordance with the Donor Recognition Policy, then in existence, unless the donor requests anonymity.
10. As part of due diligence in accepting an outright or deferred gift, ASNF will ensure that Canada Revenue Agency guidelines have been properly adhered to when issuing a charitable receipt.
11. The following guidelines are established to ensure that planned gifts accepted by the Foundation are cost-effective.

## GUIDELINES FOR ACCEPTANCE OF CHARITABLE GIFTS

### **OUTRIGHT GIFTS**

#### ***Cash***

Donors who are able to make outright gifts in the form of cash or cheques are encouraged to do so. Cheques must be made payable to the Alzheimer Society Niagara Foundation. Such gifts shall be allocated to the unrestricted general account unless otherwise directed by the donor.

#### ***Gifts in Kind***

A gift-in-kind is a gift of property other than cash. It can be real property (e.g. real estate, securities), personal property (e.g. art, jewelry) or intangible property (e.g. patents, license). However, a gift of service is not a gift-in-kind that is eligible for a charitable tax receipt. Gifts-in-kind may be retained by ASNF and used for purposes consistent with its objectives or may be liquidated, if not contrary to the donor's explicit wishes.

### ***Publicly Listed Securities***

Securities that are traded on a recognized stock exchange or other readily marketable securities (i.e. bonds, stocks or mutual funds) will be accepted by the ASNF. Generally, the ASNF will immediately sell such securities consistent with market conditions and otherwise in accordance with the ASNF's investment policy.

### ***Real Estate***

Gifts of real estate may be made in various ways: outright, residual interest in the property, or to fund a charitable remainder trust. Where real estate is used to fund a trust, additional requirements of the trustee must be met.

Before acceptance, all factors of the gift shall be considered, including: is its acceptance useful for the purposes of the ASNF; is the property marketable; are there any restrictions, reservations, easements or other limitations associated with the property; are there carrying costs, such as insurance, property taxes, mortgages or liens associated with the property. All expenses associated with making the gift shall be paid for by the donor. Generally, the ASNF will immediately sell real estate, unless otherwise determined by the CEO.

### ***Other Tangible Personal Property***

Jewellery, artwork, collections, and other personal property may only be accepted upon approval of the CEO and will not be accepted unless there is reason to believe the property can be quickly disposed of. Before accepting the gift, the property shall be appraised. For gifts with a value in excess of \$1,000, an appraisal by a qualified appraiser as defined by the Canada Revenue Agency must be obtained, with the appraisal cost borne by the donor. No personal property will be accepted that obligates the ASNF to ownership of it in perpetuity.

## **DEFERRED GIFTS**

### ***Bequests***

Sample bequest language will be made available to donors and their legal counsel to ensure that the bequest is properly designated. The CEO or his/her delegate will consult with legal counsel and represent the ASNF in all dealings with the lawyer and executor of the estate.

### ***Life Insurance***

Where ownership is irrevocably assigned to the ASNF, a charitable receipt for the net cash surrender value of an existing or paid-up policy and any premiums paid to maintain a new or existing policy, will be issued when the ASNF gains ownership of the life insurance policy.

### ***Annuities and Charitable Remainder Trusts***

The CEO and his/her delegate will secure the services of appropriate professionals (i.e. chartered accountant, lawyer, financial planner) to determine the value to the ASNF of all potential annuity agreement offers.