

Gift Acceptance Policy

OVERVIEW

MISSION ALIGNMENT

The Jewish Community Foundation of Calgary aspires to provide every donor with the opportunity to make a permanent difference in our community: locally, nationally and in Israel. We facilitate the philanthropic process by promoting charitable giving among donors and potential donors. The Foundation encourages both outright and deferred gifts. These gifts build the assets of the Foundation for the long term benefit of the community.

This Gift Acceptance Policy provides a framework for accepting gifts that is in keeping with the principles of the Foundation, the highest standards of integrity, and compliance with all of the regulations and best practices guiding the philanthropic sector. Recognizing that the types of property that may be donated is ever expanding and evolving, it is the intent of the Foundation to offer a wide range of opportunities for philanthropy.

DEFINITION OF A GIFT

A gift is a voluntary transfer of property, generally without valuable consideration. The Canada Revenue Agency considers that a gift is made if all three of the conditions listed below are satisfied:

- (a) some property-usually cash-is transferred by a donor to a registered charity;
- (b) the transfer is voluntary; and
- (c) the transfer is made without expectation of return.

For more detailed information, see Canada Revenue Agency Pamphlet P113:
<http://www.cra-arc.gc.ca/E/pub/tg/p113/p113-12e.pdf>

GENERAL POLICIES FOR FINANCIALLY SIGNIFICANT GIFTS

Types of gifts include, but are not restricted to:

- Cash
- Securities
- Real property
- Gifts in kind
- Deferred gifts (also known as planned gifts)

Other gift arrangements can be made, from time to time, as approved by the Board.

1. The Foundation may elect to accept or decline any gift. Any proposed gift where policy is unclear or ambiguous shall be referred to the Board. Such referral shall always occur where gifts:

- i) may expose the Foundation to an uncertain or potentially significant liability;
- ii) after reasonable due diligence, are believed, to have come from illegal activities; and
- iii) are unusual in nature and present questions as to whether they are within the role and scope of the Foundation.

2. Persons acting on behalf of the Foundation shall in all cases advise the donor to discuss the proposed gift with independent legal and/or tax advisors of the donor's choice so as to ensure that the donor receives a full and accurate explanation of all aspects of the proposed gift and is able to have the opportunity to maximize available tax benefits. Furthermore, the donor will also be encouraged to consult with their family as to the potential impact of the gift. While recognizing that Foundation staff and volunteers play a role in educating donors, at no time shall the Foundation act as legal or tax counsel to donors.

3. The Chair, the Treasurer, and/or the Gift Acceptance Coordinator designated by the Board are authorized to negotiate current and deferred gift agreements with potential prospective donors, within the guidelines of this policy.
4. Readily monetized gifts, which can include outright gifts of cash, gifts of publicly listed securities that are listed on prescribed stock exchanges, beneficiary of life insurance policies, bequests by Will, gifts of RRSP's or RRIF's, and charitable remainder trusts, will not normally require approval by the Board.
5. Nonstandard fund agreements, or fund agreements that contain non-standard clauses, may need to be executed to allow for specific gift acceptance provisions, trust conditions or other circumstances. The execution of such agreements requires approval of both the Chair and the Treasurer. They may seek advice from the Foundation's legal counsel and, in circumstances as determined by either the Chair or the Treasurer, seek the approval of the Board.
6. All significant gifts must be reviewed and approved by the Treasurer. Before acceptance, relevant information about the property shall be ascertained, including a copy of any appraisal secured by the donor. The Jewish Community Foundation also reserves the right to secure its own appraisal before accepting the property and issuing a donation receipt. For gifts of shares of private companies, the Chair of the Investment Committee must also approve.
7. All other gifts of property will be reviewed and approved by the Treasurer. At her/his discretion the Treasurer may refer any such gift to the Board or its ad hoc advisory committee for review.
8. General administration costs of accepting gifts will be recovered by the Foundation. The Foundation has the discretion to assess extraordinary costs associated with the acceptance, valuation and disposition of a gift against the proceeds of the gift. These extraordinary costs would always be discussed with the donor prior to gift acceptance.
9. Where a donor's gift to the Foundation is legally challenged, the JCFC reserves the right to recover costs associated with legally defending the Foundation's right to the gift

against the value of the gift. These costs shall include, but not be limited to, the legal costs associated with a negotiated, mediated, or arbitrated solution.

10. A minimum gift of \$1000.00 is required to open a new fund. Funds are eligible to make distributions when the assets in the fund surpass \$5000.00. Funds opened under the auspices of the B'nai Mitzvah program are subject to the conditions of that program.

11. Services or volunteer time are not considered a receiptable gift.

SPECIFIC GUIDELINES

1. GIFTS OF SHARES IN PRIVATELY-OWNED COMPANIES AND OTHER BUSINESS INTERESTS

Description

Donors may make gifts of privately-owned shares and partnership interests. These can be accepted by the JCFC so long as the JCFC assumes no liability in receiving them and would not be subject to penalties. In some instances the corporation is willing to redeem privately-owned shares, or other stockholders are willing to purchase them.

Guidelines

Privately-owned shares may be accepted if they will not subject the JCFC to penalties or adverse consequences and can likely be sold in the future to the corporation, to other stockholders, or to others interested in acquiring the corporation or the shares can produce a fair annual income return.

The JCFC shall follow the same appraisal procedure as for real estate, and shall issue a donation receipt based on the appraisal it considers reflective of the value of the shares.

2. GIFT OF PUBLICALLY LISTED SECURITIES

Description

Donors may make gifts of publicly listed share securities. These securities can be accepted by the JCFC so long as the JCFC assumes no liability in receiving them and would not be subject to penalties. Publicly listed securities may include but are not limited to shares, bonds, warrants, and mutual fund units traded on prescribed stock exchanges.

Guidelines

Valuation of gifts of publicly listed securities shall be processed as follows:

i. In-kind gift

In order to qualify for the total elimination of capital gains taxes on a gift of publicly listed securities, the securities must be given in-kind.

ii. Receipt

Publicly listed securities that are freely tradeable and which are gifted to the Foundation shall be deposited as directed by the Foundation.

Gifts of publicly listed securities which are not freely tradeable because of legal restrictions pertaining to their transferability are not considered to be accepted and receiptable by the Foundation until the shares have been approved by the Gift Acceptance Committee and received into the Foundation's account, to ensure the delivery of the gift has been completed.

iii. Valuation

The value for tax receipting purposes will be the closing market price on the date the securities were received by the Foundation multiplied by the number of shares received.

iv. Realization

Gifts of publicly listed securities accepted by the Foundation will be sold and invested in accordance with the Foundation's Investment Policy.

Gifts of publicly listed securities shall be sold as quickly as possible. Until the securities are sold and the resultant cash is transferred into the portfolio of pooled funds, the Fund which is the recipient of the securities shall not be credited with the contribution. All commission charges and all resulting gains and losses which arise from the sale of the gifted securities, as compared to their value at the time of receipt by the Foundation, shall be charged or credited directly to the Fund which is the recipient of the gift of securities and not to any of the other Funds at the Foundation. However, these charges, gains and losses shall not affect the value of the receipt issued for the gifted securities, which receipt shall be the closing market price on the date the securities were received by the Foundation multiplied by the number of shares received.

3. GIFTS-IN-KIND

Description

Gifts-in-Kind involve a tangible, non-cash donation that could include real property (e.g., jewellery, art, etc.) or an intangible, non-cash donation (e.g., a patent, copyright, royalty, contract rights, software licensing, etc.). Acceptance of Gifts-in-Kind requires that there be no cost to the JCFC associated with these gifts.

To be accepted, Gifts-in-Kind must be accompanied either by an independent professional appraisal establishing the current fair market value (FMV) of the gift or an invoice, or other documentation satisfactorily establishing the value the gift.

If the value of the gift is difficult to determine (e.g., in the case of collectables) a charitable donation receipt may be issued only after the JCFC determines that a Gift-in-Kind can be received and the value of the gift has been determined. It may in some cases, it may be necessary to wait until the value of the gift has been realized before a charitable donation receipt is issued.

The decision whether to accept or deny gifts that are not easily appraised will be considered on a case-by-case basis. In some cases, the realized value of the gift may not correspond precisely to the appraised value of the gift. It is the realized value of the gift that will be added to the donor's charitable fund.

4. GIFTS OF REAL ESTATE

Description

Gifts of real estate may be made in various ways: outright, through a residual interest in the property, or to fund a charitable remainder trust. The following guidelines pertain to gifts of real estate in general. Where real estate is transferred to a charitable remainder trust, additional requirements of the trustee must be met.

Guidelines

The JCFC shall secure a qualified appraisal of the property. The appraiser secured by the JCFC may take into consideration any appraisal secured by the donor and may, in some instances, confirm that appraisal, but the JCFC shall ultimately rely on its independent appraisal.

A gift receipt will be issued for the appraised value (or present value of the residual interest computed on the appraised value in the case of residual interest gifts) less any advantage received by the donor as a result of the gift.

The JCFC shall determine if the donor has clear title to the property.

The JCFC shall review other factors, including zoning restrictions, marketability, current use, and cash flow, to ascertain that acceptance of the gift would be in the best interests of the Charity.

The Jewish Community Foundation of Calgary shall, if it is deemed advisable by the Chair, the Treasurer or the Gift Acceptance Coordinator, require an environmental assessment, which may include an environmental audit, and accept the property only if (a) it contains no toxic substances, or (b) the JCFC assumes no liability or limits its liability to an acceptable level.

The cost of adhering to these guidelines may be considerable. It is expected the costs will be borne by the prospective donor.

5. PLANNED GIVING (DEFERRED GIFTS)

BEQUESTS

Description

A charitable bequest refers to a disposition in a will to the JCFC of a particular amount of money, specific property, or a percentage of the estate.

Guidelines

Sample bequest language for restricted and unrestricted gifts, including endowments, can be made available to donors and their professionals to ensure that the bequest is properly designated.

Donors will also be invited to provide information about their bequest provisions to the JCFC. Bequest provisions can be publically acknowledged or remain anonymous at the request of the donor.

During the administration of estates containing a bequest to the JCFC, the Chair, in consultation with the Foundation's legal counsel, shall represent the JCFC with reference to the bequest.

The bequest may be assigned to the JCFC subject to the contract entered into between the testator and the JCFC, which shall be created separately.

GIFTS OF RETIREMENT PLAN ASSETS

Description

Many potential financial supporters of the JCFC likely have RRSPs, RRIAs, or other retirement plans, and the value of the assets involved can be considerably more than the donor would ever need during retirement. In some cases it can be appropriate for donors

to use these assets to make current outright gifts, whereas in other cases it may be preferable to have retirement plan assets contributed upon death.

Guidelines

The JCFC may encourage current outright gifts of assets distributed from retirement plans, provided the donor, upon consultation with his or her professional advisor, determines that he or she can part with such assets without compromising the financial security of his or her retirement years and that the tax consequences are acceptable.

The JCFC may also encourage beneficiary designations, again provided that the donor, upon consultation with his/her advisors and family, determines that this is compatible with the overall estate plan.

GIFT OF A RESIDUAL INTEREST

Description

A gift of a residual interest refers to an arrangement where real property is irrevocably committed to the JCFC, but the donor retains use of the property for life or a term of years. For example, the donor might give a residual interest in a residence and continue to live in it. The donor is entitled to a gift receipt from the JCFC for the present value of the residual interest (assuming that the asset appraisal is deemed satisfactory and the gift is accepted).

Guidelines

The donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property unless the JCFC, upon prior approval of the Executive Director, agrees to assume responsibility for any portion of these items.

The JCFC's interest in the property shall be conveyed by deed, and there shall be an agreement that specifies the respective rights and responsibilities of the JCFC and of the person(s) for whose benefit the life estate has been retained.

The JCFC reserves the right to inspect the property from time to time to assure that its interest is properly safeguarded.

CHARITABLE REMAINDER TRUSTS

Description

The charitable remainder trust is a form of a residual interest gift. The donor ("settlor") transfers property to a trustee who holds and manages it. The net income will be paid to the donor and/or other named beneficiary. When the trust terminates (either at the death of the beneficiary(ies) or after a term of years), the trust remainder is distributed to the JCFC. If the trust is irrevocable, the donor is entitled to a gift receipt for the present value of the residual interest.

Guidelines

A charitable remainder trust may be funded with cash, securities, or real estate. Gifts of the real estate will be subject to a thorough review.

The trust agreement shall be either drafted by or reviewed by the donor's own legal counsel. The trustee of a charitable remainder trust may be a trust institution, or other qualified trustee, selected by the donor.

LIFE INSURANCE

Description

There are various methods by which a life insurance policy may be gifted to the JCFC. A donor may:

- Assign irrevocably a paid-up policy to the JCFC;
- Assign irrevocably a life insurance policy on which premiums remain to be paid;
- Name the JCFC as a primary or successor beneficiary of the proceeds.

When ownership is irrevocably assigned to the JCFC, the donor is entitled to a donation receipt for its value (if any) and for any premiums subsequently paid.

Guidelines

Any of these types of life insurance gifts are acceptable to the JCFC. In the event a policy is contributed on which premiums remain to be paid, the donor will be encouraged to pay any premiums directly.

The JCFC reserves the right to pay premiums, surrender the policy for cash, or elect a reduced paid-up policy.

CONFORMING TO THE LAW

No gift will be accepted if it will contravene any Federal or Alberta statutes, especially the Income Tax Act and Canada Revenue Agency (CRA) rules.

Tax receipts are to be issued according to Income Tax Act Regulations.

AMENDMENTS

These Policies and Guidelines may be amended at any time by a majority vote of the Board.

The Current Gift Acceptance Policy Reflects the Following Approvals and Amendments:

Adopted May 2013

Gift Acceptance Approved by the JCFC Board January 23rd, 2015

Gift Acceptance Approved by the JCFC Board October 3th, 2017

Gift Acceptance Amended and Approved by the JCFC Board May 27th, 2020