



VICTORIA FOUNDATION

CONNECTING PEOPLE WHO CARE WITH CAUSES THAT MATTER®

GIFT ACCEPTANCE AND DISCLOSURE POLICY

BACKGROUND

The Victoria Foundation ("Foundation") was established in 1936 under an Act of the Legislative Assembly of the Province of British Columbia. It is empowered to hold endowments for community purposes in accordance with the Act. The Act was revised in 2009 and is now cited as The Victoria Foundation Act, R.S.B.C. 2000, c.2. The Foundation is a registered Canadian charity and is governed by a volunteer Board of Directors. The Foundation's mission is to strengthen community wellbeing by investing in people, opportunities, and solutions.

PURPOSE

The Foundation is a vehicle through which a donor can support the community. The Gift Acceptance and Disclosure Policy is necessary and important to ensure donations are used to further the mission, vision, and goals of the Foundation, and includes consideration of donor objectives. It provides clarification of roles, responsibilities, and expectations of both the Foundation and its donors.

The Gift Acceptance and Disclosure Policy also provides guidance for the Foundation Board and staff in making decisions. It ensures that gifts to the Foundation are made in accordance with legal and ethical regulations and guidelines, including Canada Revenue Agency (CRA) policies related to charitable giving, and promotes consistent practices in accordance with the Victoria Foundation Act and the Foundation's Privacy Policy as amended from time to time.

It protects the Foundation from potential liability related to gifts that might come with unforeseen financial consequences.

The Policy can help to enhance long-term relationships with donors and encourage donors and the Foundation representatives to work together to achieve the most effective benefits for our community consistent with donors' broad philanthropic wishes. The nature of the gifts the Foundation may receive is outlined in Appendix "A".

SCOPE

This Policy applies to all donations received through the activities of the Victoria Foundation. All gift acceptance policies shall be under the direction of the Board of Directors. This policy is meant to inform, guide, serve or otherwise assist donors who wish to support the work of the Victoria Foundation.

The Foundation may form an ad-hoc Gift Acceptance Task Force to implement this Policy. The ad-hoc Task Force will be comprised of finance and philanthropic services staff, in addition to others with special expertise, as considered necessary.

GIFT ELIGIBILITY

A gift refers to the voluntary transfer of property without consideration to the donor.

The following gifts are deemed eligible for acceptance by the Victoria Foundation:

- Cash
- Publicly listed securities
- Will and bequest
- Life insurance policy
- Retirement fund or tax-free savings account
- Charitable remainder trusts and residual interest gifts
- Gifts of Other Property (such as real estate, art, jewelry, private corporation shares)

(See Appendix A)

General Policies in accepting all gifts:

- i. The Foundation may elect to accept or decline any gift. The Foundation reserves the right to decline a gift in any circumstance, including:
 - a. The gift does not accord to the mission or objectives of the Foundation.
 - b. The gift exposes the Foundation to liability or unacceptable risk.
 - c. The donor applies unacceptable restrictions or conditions on the gift.
 - d. The gift may have come from illegal activities.
 - e. The gift violates Federal, Provincial or Municipal laws and regulations.
 - f. The gift does not comply with CRA guidelines.
 - g. The gift could reasonably compromise the Foundation's public image, reputation or commitment to its mission, priorities, and strategic plan.
 - h. The gift results in economic consequences to the Foundation.
- ii. Gift related costs such as legal fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift or property, will normally be the responsibility of the donor, unless the Foundation agrees to assume responsibility for any portion of these items.
- iii. Staff and Directors of the Foundation may inform, serve, guide, or otherwise assist donors, who wish to support the Foundation's activities, but are not to pressure or unduly persuade.
- iv. Staff and Directors of the Foundation shall encourage the donor to discuss the proposed gift with independent professional advisors of the donor's choice so that the donor may receive a full and accurate explanation of all aspects of the proposed charitable gift.
- v. All gift agreements must be reviewed and signed by two signing officers, being the CEO and the Board Chair or in the absence of the Board Chair, another signing officer.
- vi. The Foundation will obtain independent opinions of the value of gifts other than cash. The valuation of gifts of publicly listed securities is made by the Foundation's brokerage service.
- vii. The Foundation (employees and Directors) will not serve as executor of a donor's will or trustee of a charitable remainder trust.
- viii. Donors' wishes of recognition or anonymity regarding a gift will be respected except as required by law.
- ix. Gifts will generally be accepted by the Foundation through the CEO, Director of Finance, or Director of Philanthropic Services (or delegates) except where the nature of the gift requires approval of the Board of Directors as noted in this Policy. All gifts are recorded and reported in accordance with Canada Revenue Agency requirements and regular summaries are provided to the CEO and Board of Directors.

- x. All proposed gift arrangements requiring execution by the Foundation shall be reviewed and approved as to form and content by the Foundation's legal counsel. Where substantially the same agreement is used repeatedly, only the prototype needs to be approved.

REQUIRED INFORMATION TO DONORS

In all cases, donors must be informed of the following information:

- i. Irrevocability of gifts.
- ii. Importance of seeking independent financial, investment and legal advice prior to making any gift.
- iii. The Foundation does not provide tax or legal advice; and
- iv. Items which are the donor's responsibility, such as expenses related to the gift.

RESTRICTED AND UNRESTRICTED GIFTS

Donors may stipulate certain restrictions on a gift or designate it to a specific purpose. The Foundation will review the restrictions to ensure that is able to comply and to clarify its duties in fulfilling the restrictions. Acceptance of any restricted gift shall be reviewed by the Director of Philanthropic Services (or delegates) and written direction (by email or letter for gifts or by formal agreement for a fund) shall be kept on record.

Undesignated gifts shall be used at the discretion of Board of Directors for such purposes as to best advance the Foundation's mission.

DISCLOSURE

This policy sets out the Foundation's practice for publishing names of donors, funds and recipients and instances where anonymity will be granted and mirrors the Foundation's Privacy Policy as amended from time to time.

The Foundation's business practices provide opportunities for the donor to indicate his or her preference for:

- identification of the fund name, or
- anonymity when a grant is made from the donor's named fund, or
- by personal name where the grant is made through the community pass-through grants fund, or
- another pass-through fund.

The Foundation's Privacy Policy outlines the principles on which this and other personal information is collected, used, and disclosed. Records of donations and grants are maintained by the Foundation to ensure compliance with CRA regulations and to properly carry out the business practices of the Foundation.

Donors' wishes of recognition or anonymity regarding a gift will be respected except as required by law.

It is the policy of the Foundation to publish, on an annual basis, the name and market value of all endowed funds, which may include the amount of the gifts and grants. The founder of any fund may request that the fund be listed as Anonymous.

For Hosted Organization funds, all donors and amounts are disclosed to the organization unless the donor requests the gift to be anonymous. The Foundation wishes to facilitate the acknowledgement and stewardship of these gifts by the recipient organization to the donor, where appropriate.

For tribute gifts (memorial, birthday, anniversary, graduation, etc.) the family is notified of each donor's name unless the donor wishes to remain anonymous. No individual gift amounts are divulged, only the total of all gifts for each occasion.

For all gifts to funds, the donors' names and amounts will be listed on the fund statement unless the donor has requested that the gift be anonymous.

Where there is a written agreement, the founder of the fund may request that the text of the agreement, but not its existence, remain confidential, except as required either legally or by Foundation practice.

All gifts received may be reported to the Board as per operating procedures in place. Any requests for anonymity will be respected. If the Board Chair requests a review of the details of any gift, this may be done in consultation with the CEO.

REFERENCES:

Tax Receipting Policy

Privacy Policy

Fundraising Policy

Endowment Policy

POLICY REVIEW

This policy will be reviewed at least every three years by the Governance and Nominating Committee, with revisions approved by the Board of Directors.

GIFT ACCEPTANCE AND DISCLOSURE POLICY	
Board Approval:	Nov 26, 2006
Rewritten and Approved:	Sept 25, 2009
Revised and Approved:	June 28, 2013
Revised and Approved:	Sept 25, 2015
Revised and Approved:	Sept 29, 2017
Revised and Approved:	September 28, 2018
Revised and Approved:	December 9, 2021
Revised and Approved:	December 7, 2023

APPENDIX A

TYPES OF GIFTS

a. Cash

- Gifts of cash, whether by cheque, money order, credit card or direct debit deposit, are considered to be gifts of cash on the date the Foundation received the gift, or the credit card was processed.
- For purposes of year end charitable donation receipting, a cheque is considered to have been given on the day it was mailed. (For example, a gift sent by mail, if postmarked in December qualifies as a charitable donation in that tax year even if it is not received until January.)

b. Publicly Listed Securities

Publicly listed securities are securities that are traded on prescribed stock exchanges and mutual fund units.

Guidelines:

- To qualify for the elimination of any applicable capital gains taxes on a gift of publicly listed securities, the securities must be given in-kind.
- Publicly listed securities that are freely tradeable and which are gifted to the Foundation may be delivered by the donor directly to the Foundation or they may be deposited by the donor into a Foundation account located with the Foundation broker as directed by the Foundation.
- A tax receipt will be issued to the donor for the value of the securities, which is determined using the last quoted trading price in normal trading hours on the day that the securities are received by the Victoria Foundation (by either an irrevocable deed of gift or the securities themselves, whichever event first occurs).
- 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 Task Force and received into the Foundation's brokerage account, to ensure the delivery of the gift has been completed.
- In the case of securities which are not freely tradeable because of legal restrictions pertaining to their transferability or are thinly traded, an independent valuation shall be obtained, and the value determined by the Foundation in consultation with its advisors. The value, having regard to the nature of the restrictions, may be subject to a discount to the closing market price of the securities on the day the Foundation receives the securities.
- It is Victoria Foundation's general intent to immediately sell securities that it receives as a gift. Any losses or gains subsequent to the acceptance of the gift shall not affect the valuation of the gift.
- Where there are "hold" restrictions on a gift before it is accepted it will be reviewed by the Gift Acceptance Task Force and dealt with in a written agreement. Formal acceptance by the Foundation of donor-requested "hold" restrictions on a gift shall be the responsibility of the Board.

c. Life Insurance

The Foundation will accept a life insurance policy as a gift if it is named as beneficiary or is both the irrevocable owner and beneficiary. The tax receiptable amount will be determined according to CRA guidelines.

Any premiums due are the responsibility of the donor. The Foundation may pay the premiums directly, provided the donor makes equivalent contributions for that purpose.

If the insurance policy lapses for non-payment prior to maturity because a donor fails to provide for premium payments, the Foundation may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

d. Registered Plan Assets

The Foundation will accept the proceeds of a retirement fund as a gift if it is named as beneficiary. The tax receiptable amount will be determined according to CRA guidelines. Victoria Foundation can be named as the beneficiary for any of the following:

- Registered Retirement Savings Plans (RRSP)
- Registered Retirement Income Funds (RRIF)
- Tax Free Savings Accounts (TFSA)

e. Charitable Remainder Trust and Residual Interest Gifts

The Foundation will accept a charitable remainder trust as a gift if it is named as capital beneficiary. The tax receiptable amount will be determined according to CRA guidelines.

f. Other Property (private company shares, real estate, art, jewelry etc.)

- Generally, the Foundation does not encourage these types of gifts. The Foundation may accept these gifts; however, it must be careful to evaluate all aspects, including hidden costs and valuation difficulties.
- All proposals for gifts-in-kind of 'Other Property' shall be reviewed by the CEO in conjunction with the Director of Finance and legal counsel as necessary. The CEO may choose to form an ad hoc Gift Acceptance Task Force before undertaking to accept these types of gifts and/or bring forward to the Board of Directors to make the decision.
- Gifts of property valued at or over \$1,000 must receive an independent external appraisal or equivalent support to receive a tax receipt.
- For gifts in kind valued at less than \$1,000, a professional appraisal may not be required, but the documentation supporting the determination of fair market value should be disclosed (i.e., original invoice of purchase).

g. Gift by Will

- A donor who advises the Foundation, in confidence and in advance, of a proposed testamentary gift to the Foundation, shall be asked to provide, if possible, a copy of that section of the Will naming the Foundation.
- The donor may also wish to execute an agreement with the Foundation directing the charitable use of the proposed testamentary gift.
- If the Foundation does not receive advance notice, as soon as notification is received from the assigned Executor/Executrix that the Foundation has been named as a beneficiary, the Foundation shall request a copy of the Will, review all documentation, and consult with their solicitor if necessary.
- Bequests made to the Foundation may qualify as a charitable gift if the terms and conditions of the bequest are acceptable under the Foundation's gift acceptance policies. Official receipts will be issued to the estate of the deceased in accordance with CRA guidelines.

h. Other Gifts

Gifts not otherwise dealt with may only be accepted after consultation with the Board or its delegate.