

## BOARD POLICIES ACCEPTANCE OF GIFTS

### **Policy Management Responsibility:**

Policy management and oversight are as defined for each policy herein.  
Approval by Board

### **PURPOSE AND SCOPE – OVERARCHING STATEMENT**

The policies in this document are designed to provide consistency in treatment of gifts and to protect the interests of contributors and UWCA.

Because gifts to UWCA come in different forms, the factors that need to be assessed in each form of gift will differ. The forms of gifts include: cash, publicly traded securities, non-publicly traded companies, stock options, real estate, life insurance, bequests and memorial gifts, and gifts in kind. Accordingly, this document presents a set of policies that govern the acceptance of gifts to UWCA.

All gifts to UWCA shall be subject to the policies in this document.

### **DEFINITIONS**

<i>Annual Gifts</i>	Gifts which are given to the UWCA as part of the annual campaign. Donors may direct that these gifts be designated to the General Fund, Tomorrow Fund, special initiatives or a registered Canadian charity.
<i>Bequests / Testamentary Gifts</i>	Gifts received by UWCA from the estate of a deceased individual.
<i>Cash</i>	Cash itself, cheque, credit card donations and payment of pledges by similar means.
<i>Donation</i>	A gift from a donor that may be an Annual Gift, Bequest / Testamentary Gift or Memorial Gift. The form of these gifts can include: cash, publicly traded securities, non-publicly traded companies, stock options, real estate and life insurance.
<i>General Fund</i>	The General Fund reports revenues and expenses related to program delivery, fundraising and operational support activities of UWCA. Within the General Fund, UWCA undertakes certain initiatives for which designated donor funds or internally designated funds are received to cover a portion of the related project expenditures.
<i>Gifts of Securities</i>	Gifts of assets like stock, bonds or mutual funds.
<i>Memorial Gifts</i>	These gifts are given to UWCA as memorials to an individual who has passed away.

<i>Objects</i>	<p>These constitute the primary purposes of UWCA as laid out in its founding statements. They constitute the backbone on which the Vision, Mission and Strategies of UWCA are built. Actions outside these objects are not permissible by law.</p>
<i>Stock Options</i>	<p>The right but not the obligation to purchase a specified number of shares in an enterprise at a predetermined price over a specific period of time.</p>
<i>Restricted Funds</i>	<p>These are Donations where donors have prescribed certain restrictions governing the use and timing of use of the gifts. They may appear in both the General Fund and the Tomorrow Fund of UWCA</p> <p>In cases where a donor makes a non-endowed gift to the Tomorrow Fund, it is preferred that the principal of these gifts shall be held for a minimum of five years in order to mitigate the variability of markets in which these Donations are invested. Distribution of earnings attributable to these gifts may only be made after the first full year of investment. The Vice President Finance shall have discretion on accepting gifts with a shorter restriction period.</p>
<i>Term Life Insurance</i>	<p>Life Insurance policy that provides coverage at a fixed rate of payments for a limited period of time. After that period expires, coverage at the previous rate of premiums expires and the life insurance policy holder must either forgo coverage or potentially obtain further coverage with potentially different payments or conditions.</p>
<i>Tomorrow Fund</i>	<p>The Tomorrow Fund is a fund that houses bequests and contributions of a long term nature. The fundamental objective of the Tomorrow Fund is to gather and maintain capital, the earnings and growth from which will sustain key initiatives of UWCA.</p> <p>The Tomorrow Fund is comprised of endowment gifts and non-endowment gifts held respectively in the Endowment Fund and the Non-Endowment Fund.</p> <p>All investable funds in the Tomorrow Fund are invested collectively and earn income proportionate to their market value.</p> <p><b>Endowment Fund:</b></p> <p>A fund maintained within the Tomorrow Fund which holds all endowment gifts. An endowment gift requires that the principal be held intact in perpetuity.</p> <p><b>Non-Endowment Fund:</b></p> <p>A fund maintained within the Tomorrow Fund where the principal of the gift does not need to be held intact in perpetuity. Donors or trustees may direct that Donations be held in the Non-Endowment Fund.</p>

In cases where Bequests/Testamentary Gifts are received where the donor or trustee has not placed restrictions on the use or term of use of these gifts, the Board requires that these gifts be held as part of the Non-Endowment Fund. The Board has at all times the right to determine the use of gifts where no donor restriction applies.

*UWCA*

United Way of Calgary and Area

*Whole Life Insurance*

Life Insurance policy which is guaranteed to remain in force for the insured's entire lifetime, provided required premiums are paid, or to the maturity date. Premiums are fixed, based on the age of the insured when established, and usually do not increase with age.

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## Guiding Principles

The following principles shall apply when considering the acceptance of any gift to UWCA.

1. All Donations are to support UWCA Objects and be consistent with UWCA's Objects, Mission, Vision and Values. Any offer of a gift that does not meet these requirements shall not be accepted.
2. Beyond meeting all legal requirements attaching to the acceptance of gifts, gifts may need to be assessed to see that their acceptance brings no risk of harm, reputationally or otherwise, to UWCA or causes it to incur financial or other liabilities.
3. Any gift that presents potential risk to UWCA shall be discussed with the Vice President Finance who shall, if considered necessary, obtain appropriate direction from the President and Chief Executive Officer, the Chief Development Officer, and members of the board or suitably qualified professionals.
4. The acceptance of all gifts must be done at arm's length. This means that the donor shall have no ability to influence the decisions of UWCA in accepting the gift aside from normal course donor restrictions and/or conditions as outlined under Restricted Funds.
5. UWCA has a unique ability to ensure donated gifts will have sustained benefit to the community. While embracing the need to accommodate donor wishes, UWCA encourages donors to keep the level of gift restrictions and/or conditions to a minimum.
6. Staff and volunteers shall, in all cases, encourage the donor to discuss the proposed gift with their families and independent legal and/or tax advisors of the donor's choice so as to ensure that the donor has a full and accurate understanding of all aspects of the proposed charitable gift.
7. Acceptance of all gifts shall be subject to appropriate levels of review by UWCA staff and volunteers who shall engage the services of legal counsel and other professionals as considered necessary. Notwithstanding this, UWCA does not in any capacity stand as an advisor on any legal, tax, estate or other financial planning matters.
8. Trust agreements relating to planned and endowment gifts shall conform to the standards defined by UWCA's legal counsel the "Trust Agreement". Deviations from that standard shall be discussed with the Vice President Finance who shall, if deemed necessary, seek further legal advice on the differences from the defined standard.
9. The standard Trust Agreement shall be reviewed annually with legal counsel to ensure it accommodates any changes in the law or other matters affecting UWCA's ability to manage such agreements.
10. All gifts, including those that are being negotiated, are treated in accordance with UWCA's Privacy Policy.
11. UWCA commits to the highest ethical standards in its engagement with donors.
12. UWCA shall honour requests from donors for anonymity around their Donation.

13. Donors shall at any time have the right to raise concerns regarding the treatment they have received in the handling of their Donation by directing their concerns as follows to ensure they are resolved:
  - a. First, to the staff person assigned to manage each policy,
  - b. Then, if not satisfied, direct their concern to the Chief Development Officer,
  - c. Then, if not satisfied, to the President.
  - d. In addition, the public may avail itself of the Policy for Raising Concerns including Financial Stewardship.
  
14. The content of solicitation material shall respect the dignity and rights of any and all persons and organizations reflected therein.

## GIFTS OF CASH

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

Gifts of cash constitute the bulk of Donations made to UWCA. Accordingly, operational efficiency and effectiveness is a critical element that needs to be embraced in the acceptance of these gifts.

Many cash gifts carry a designation (donor choice) element. Designations may only be to charities validly registered with the Canada Revenue Agency (CRA) in order for us to accept the gift.

Even with gifts of cash, UWCA needs to be alert to risks, particularly reputational risk, before accepting the gift.

This Policy shall apply to all gifts made in cash, credit card, cheque or as a pledge.

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of a cash gift.
- All cash gifts that support UWCA's Objects, mission, and strategies and present no other risk to UWCA may be accepted by UWCA regardless of the amount.
- Cheques shall in all instances be made payable to UWCA.
- Where a tax receipt is desired, the donor shall provide the information required for the tax receipt to be prepared.
- UWCA shall process all cheques within 10 business days of receiving the cheque.
- UWCA shall process all gifts made through credit card within 48 hours of such Donation being communicated to UWCA.
- UWCA may decline a gift of cash if it violates in any way the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift of cash.

### Effective date

This Policy shall have effect from March 2012.

### Revisions

Frequency:	12 months
Date of last Committee review:	May 2020
Date of last amendment:	October 2020
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## GIFTS OF PUBLICLY TRADED SECURITIES

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

The Donation of shares to UWCA is becoming more commonplace as it becomes an increasingly accepted means of donating. Direct gifts of securities avoid capital gains inclusion under income tax law and, accordingly, present significant financial advantages to donors of these gifts.

Because considerable financial risk attaches to the holding and trading of shares, this Policy:

1. protects UWCA's rights in deciding to accept such shares, and
2. governs the manner in which these shares are accepted and disposed of. In this latter regard, such policy shall be the basis on which:
  - i. internal procedures are based,
  - ii. UWCA engages its broker organization(s),
  - iii. its solicitation material is designed and communicated to donors.

In the absence of a prior agreement, UWCA applies the closing price on the day of the Donation in determining the fair market value of the gift. This practice provides certainty to both the donor and UWCA. It does transfer the risk of market fluctuations until disposal is complete to UWCA. To be clear, UWCA carries the potential gain and bears the potential loss when disposing of the shares.

In addition, UWCA needs to recognize donors for their gifts, and the clarity of establishing Donation value as described supports this need.

This Policy applies to the acceptance and disposal of shares in publicly traded companies and mutual funds donated to UWCA, that may or may not be not subject to a formal agreement between the donor and UWCA. Any such formal agreement will require the specific approval of the Finance Audit and Technology Committee. Separate policies govern Gifts of Stock Options by Individuals and Gifts of Shares in Non-Publicly Traded Companies. The offer of any other publicly traded security, including convertible debentures or bonds, shall be discussed with the Finance Audit and Technology Committee prior to acceptance.

### Policy Statement

#### 1. Acceptance of Shares

UWCA welcomes donors to make charitable contributions in the form of shares.

To ensure UWCA's rights are protected in accepting Donations of shares:

- A. Acceptance of shares requires both the appropriate documentation to be received from the donor, and delivery of the shares. As a general rule, the date of the Donation shall be the later of the date when the appropriate documentation is received or the date that the shares are deposited into UWCA's account. With specific regard to a Donation of shares where physical scrip is offered to UWCA, the date of acceptance shall be the date that UWCA's brokerage firm advises that it has obtained the necessary security clearance to allow for the sale of those shares.



- B. All solicitation material and any communication of procedures on Donation of shares made to the public shall clearly state that:
- i. All risk attaching to the security and value of shares shall remain with the donor until such time as acceptance of the shares has been communicated to the donor in writing.
  - ii. No shares other than those traded on a prescribed stock exchange, as defined in paragraph 1.B.iii. below, shall be accepted in terms of this Policy, in the absence of a formal agreement between the donor and UWCA.
  - iii. For purposes of this Policy, a prescribed stock exchange shall be one of the TSX Group of Exchanges, including the Venture Exchange and the Toronto Stock Exchange, the American Stock Exchange, the New York Stock Exchange, and the NASDAQ Stock Exchange.
  - iv. All shares offered to UWCA as a Donation shall be scrutinized for thinly traded volumes or other restriction on immediate sale.
  - v. The Donation of any such restricted shares would be the subject of a written agreement entered into by UWCA and the donor, prior to their acceptance.
  - vi. Gifts of shares shall have a value greater than \$1,000.
  - vii. As a general rule, no more than 75% of the gift shall be designated to other charities. This percentage shall be computed on the combined value of the Donation by the donor and any corporate match that UWCA is reasonably satisfied will remain with UWCA. Exceptions to this general rule will require the prior sanction of the President or designate.
  - viii. **above subparagraph (vii) shall not apply to Gifts of Securities made to another United Way under a centrally coordinated campaign (CCC). In a CCC, donors may determine without limitation, the value they wish to donate to any United Way and to any other charity.**
- C. UWCA may decline a gift of publicly traded securities if it violates, in any way, the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift of shares.

## 2. Valuation of Shares on Acceptance

- A. There are two broad groupings of shares accepted by UWCA:
- i. shares traded on a prescribed stock exchange as defined in paragraph 1.B.iii., and
  - ii. shares not traded on a prescribed stock exchange
- The value of shares shall be determined solely at the discretion of UWCA as prescribed in paragraphs 2.B and 2.C below.
- B. Shares traded on a prescribed stock exchange
- i. Unless UWCA expressly agrees otherwise, the shares shall be valued at the closing price of the shares on the day of accepting their Donation;
  - ii. In the event that an agreement is entered into for the Donation of shares to UWCA as envisaged under paragraph 1.B.ii and 1.B.iii, the value established will be discounted from the closing market price for the Donation. The discounting factors will be established by the Vice President Finance through consultation with two members of the Finance Audit and Technology Committee, and with the recommendations of appropriate professional advisors as needed. In no case shall the price so established exceed the closing price of the share on the date of acceptance.
  - iii. In the event that UWCA establishes an alternative basis of valuation, such valuation shall be agreed to by at least two members of the Finance Audit and Technology Committee, and the basis of valuation shall be recorded in writing.

- iv. With specific regard to Donation of physical shares, the value of such shares shall be the market price for those shares at close of business on the day of acceptance as anticipated in 1 A above.
- C. Shares not traded on a prescribed stock exchange
  - i. The Donation of such shares shall require a formal agreement between the donor and UWCA. The Vice President Finance of UWCA shall obtain sanction from the Finance Audit and Technology Committee as to the method and basis for valuation of such shares. Where considered necessary, and this is economically feasible in relation to the potential value of the shares, the Finance Audit and Technology Committee shall require the valuation to be conducted by an independent party who has appropriate skill in this area. The cost, if any, of establishing such valuation shall be borne by the donor.

### 3. Disposal of shares

- A. Shares, where the number of shares donated is less than 20% of the average daily volume of trading in the last 30 days:
  - i. These shares shall be disposed of as soon as is possible following their acceptance.
- B. Shares, where the number of shares donated is greater than 20% of the average daily volume of trading in those shares in the last 30 days (thinly traded stocks):
  - i. Such shares shall be disposed of in an orderly manner so as not to cause a negative effect on the market for those shares. In this regard;
    - a. In any day, the number of shares disposed of shall be no more than 20% of the average daily volume of trading in those shares in the last 30 days unless sanctioned by the Finance Audit and Technology Committee.
    - b. Such shares shall be disposed of as quickly as possible.
- C. UWCA shall engage a professional brokerage firm to assist in the efficient disposal of shares listed on the prescribed stock exchanges. The cost, if any, of commissions and other charges for such service shall be borne by UWCA.
- D. In order to expedite the disposal of shares, UWCA may, at its sole discretion, on occasion make use of a broker specified by the donor, and engage in a process to dispose of such shares with the donor or the donor's broker. Such concession will be made provided that the above policy with regard to acceptance and valuation is applied. The cost of any brokerage services in such case shall be **at** the sole cost of the donor.

#### Effective date

This Policy shall have effect from March 2012

#### Revisions

Frequency:	12 months
Date of last Committee review:	May 2020
Date of last amendment:	October 2020
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## GIFTS OF SHARES IN NON-PUBLICLY TRADED COMPANIES

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

This Policy applies to all gifts to UWCA of shares in non-publicly traded companies registered in Canada. Shares in non-publicly traded companies registered outside Canada are not accepted. UWCA has on occasion accepted the Donation of shares in a non-publicly traded company. Shares of this nature require careful valuation and may require the engagement of a professional valuator. It is also quite likely that shares of this nature are illiquid and will take time to sell. The valuation will allow for such risk. Additional security attaching to the shares may be required by UWCA in the event that the expected date of liquidating the shares is protracted.

This Policy governs all gifts of shares of non-publicly traded companies

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of shares in this category.
- The Vice President Finance shall be responsible for ensuring:
  - The requirements for acceptance are discussed with the donor
  - The valuation is conducted appropriately
  - Share certificates are properly received and all rights are transferred
  - The shares are sold in a timely manner.
- The Finance Audit and Technology Committee shall decide whether to accept or decline the Donation of such shares.
- Shares can only be accepted if research reveals a ready indirect market for underlying assets or direct market for shares with likely potential buyers.
- The donor shall warrant that:
  - He/she has the rights to dispose of the shares
  - No restriction on the sale of such shares by UWCA exists
  - He/she holds UWCA harmless from any and all claims or damages that may arise as a result of a false statement being made as part of his/her warrant to UWCA.
- UWCA shall engage the services of an appropriate brokerage house to assist in the valuation and disposal of such shares.
- The valuation exercise is to be free of any influence by the donor or related persons.
- The costs of the valuation exercise shall be borne by the donor.
- The market value of the shares shall, if considered necessary, be discounted for the expected time taken to sell the shares, or in the event the underlying assets are to be sold, the market value of the shares shall be discounted for any unrealized tax liability associated with such a sale.
- In the event that the shares may only be sold more than 6 months after acceptance, UWCA shall require additional security to support the market value.
- The basis of establishing the fair market value, including any discounts, as used for tax receipt purposes shall be made clear to the donor.

- UWCA may decline a gift of non-publicly traded securities if it violates in any way the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift of such shares.

### **Effective date**

This Policy shall have effect from March 2012.

### **Revisions**

Frequency:	12 months
Date of last Committee review:	May 2020
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## GIFTS OF STOCK OPTIONS

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

This Policy applies to all gifts to UWCA of stock options. Stock options can be offered to UWCA by either individuals or by corporations and could be for either publicly traded or private companies. Due to the volatility in the market prices of options of publicly traded companies, or in the case of private companies, restrictions on the liquidation of stock options, stock options present difficulties in valuation. Accordingly, each offer of such a gift must be carefully considered with support of the Finance Audit and Technology Committee and professional advisors if needed.

This Policy shall apply to all stock options of all companies registered in Canada. Stock options in companies registered outside Canada are not accepted.

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of stock options in publicly traded or private companies.
- UWCA may decline a gift of stock options if it violates in any way the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift of stock options.

### Gifts of Stock Options in publicly traded companies by Individuals

- While a market exists in Canada for the trading of options in publicly traded shares, the volatility of prices in these instruments is significant, making valuation difficult.
- In many cases, stock options are provided to employees of a corporation as a part of their compensation. Such options often carry restrictions on their sale. In cases of employee stock options, the Vice President Finance shall ensure that:
  - The stock option plan allows the employee to exercise the options and have the underlying shares donated to UWCA through the plan. In the absence of this, UWCA will request that the employee first exercise the options and then donate the underlying shares.
  - The valuation and disposal of the underlying shares are then conducted in accordance with the Policy governing Gifts of Publicly Traded Securities.
- In cases where the stock options are not part of an employee compensation plan, UWCA will request that the donor first exercise the options and then donate the underlying shares. This applies even if the stock options themselves are traded on a prescribed stock exchange (as defined under the policy governing Gifts of Publicly Traded Securities).

### Gifts of Stock Options by a Corporation

The Income Tax Act allows corporations to make gifts of stock options to charities at the time of making a public offering. Restrictions may apply to the exercise of these options, and an expiry date is usually defined. While UWCA may accept the award of these options, they have no value to UWCA until the time they are exercised and associated shares subsequently sold. The following policy applies:

- No tax receipt is to be given at the time of accepting the options.

#### Gifts of stock options in a private company

- All offers of stock options in a private company shall be considered for acceptance by the Finance Audit and Technology Committee which shall consider the need for engagement of legal and financial advisors as they deem appropriate.
- The Vice President Finance shall ensure that all legal and contractual matters attaching to the acceptance, valuation and liquidation of such options are in accordance with Finance Audit and Technology Committee directions.

#### **Effective date**

This Policy shall have effect from March 2014

#### **Revisions**

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## GIFTS OF REAL ESTATE

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

UWCA has no real estate holdings and is unlikely to need such. Gifts of real estate to be held permanently by UWCA for its own purposes are therefore out of scope of this Policy. This Policy deals with Donations of real property with a view to their ultimate disposal.

There a number of risks and potential liabilities attaching to the ownership of real estate, and UWCA will include these in assessing whether it wishes to accept a gift of real estate, even for the short period needed to take ownership and sell the property. Due to the significance of potential risks and costs associated with this form of gift, the Chair of the Finance Audit and Technology Committee (FATC) shall be advised of the potential gift and may seek specific input from the FATC)in defining the terms and conditions of acceptance of such a gift.

This Policy governs all gifts of real estate including bare land and developed properties. These would include outright gifts where no encumbrance on the property exists, residual interest in the property, or a charitable remainder trust, where the contributed asset is real property.

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of real estate.
- Notice of intended gifts of real property shall be given to the Chief Development officer, or the Vice President Finance, who will seek approval of UWCA Executive to conduct an Initial Assessment as defined below of the acceptability of the gift.
- Initial Assessment as defined below shall be conducted as close as possible in time to the date of the Donation.
- The “Initial Assessment” is defined as follows and shall include:
  - Use of professional and legal services where appropriate to:
    - search registry records for encumbrances,
    - conduct environmental assessments and obtain reports on environmental remediation,
    - obtain reports on any liabilities including but not limited to mortgages and taxes,
    - obtain advice on any other matters that may influence the acceptability of the gift.
  - Use of professional services to establish a market value for the property and likelihood of sale. This will include, where appropriate, the valuation of residual interests or other cases where use of the property or its salability is restricted in any way and whether there are any carrying costs associated with the property.
- All costs of the Initial Assessment shall be borne by the donor or his/her estate.
- The Executive shall consider the results of the Initial Assessment and, should they consider it worthwhile proceeding, recommend to the IC the acceptance of the gift.
- The FATC shall decide whether to accept or decline the gift based on the information provided.
- UWCA may decline a gift of real estate if it violates in any way the Guiding Principles of UWCA’s Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift of real estate.

- On approval by the FATC, the Chief Development Officer and the Vice President Finance shall jointly facilitate the finalization of the Donation, sale and associated transfers of property with appropriate counsel from the FATC and lawyers.
- The value for tax receipt purposes is to be clearly set out and explained to the donor or his/her executor.
- All costs of selling the property shall be borne by the donor or his/her estate.

### **Effective date**

This Policy shall have effect from March 2012

### **Revisions**

Frequency:	12 months
Date of last Committee review:	May 2020
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## GIFTS OF LIFE INSURANCE

### Policy Management Responsibility

Vice President Finance

Oversight by the Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

UWCA has a General Fund through which day to day activities are conducted, and a Tomorrow Fund. The Tomorrow Fund is a fund established by the Board to house contributions of a long term and testamentary nature. Board Policy at present requires, in the absence of any contrary direction by the donor, that the proceeds of life insurance policies will be held in the Non-Endowment Fund of the Tomorrow Fund.

Whole Life Insurance policies include an investment element, the value of which can be donated at any time. Term Life Insurance policies have no invested element. UWCA will accept either type of life insurance policy, provided it is satisfied that the future cash flows needed to maintain the life insurance policy can be met, either by the donor or if financially feasible, by UWCA itself. The need for such cash flows will depend on each specific policy.

Life insurance policies can be donated by way of irrevocable transfer of ownership during the life of the donor, or by making UWCA a beneficiary on the death of the donor.

Please note the rules relating to tax receipts applicable to life insurance policies:

- For Whole Life Insurance policies where ownership is irrevocably transferred at the time of gift, the value for tax receipting is the ~~cash~~ fair market value of the policy at that time. Premiums paid subsequent to the transfer date are also eligible for the tax receipt in the amount of the premium issued for the year of payment;
- For Term Life Insurance policies, where ownership is irrevocably transferred, the value for tax receipts is the amount of the premium paid by the donor after the date of transfer;
- For life insurance policies where ownership is not irrevocably transferred, and UWCA is designated as the beneficiary on death, the tax receipt will be issued only upon the UWCA receiving payment of benefits under the policy following death, provided the policy is not held in connection with certain tax plans or arrangements (such as a registered pension plan), and the value for tax receipting purposes is the value received by UWCA at such time.

This Policy applies to both Whole Life Insurance and Term Life Insurance policies.

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of life insurance policies. UWCA will work closely with donors to design a personalized plan for their gift of life insurance.
- Notice of intended gifts of life insurance policies shall be directed to a Gifts Officer who will ensure the donor is aware of requirements to make the Donation and complete the Gift of Life Insurance form.
- UWCA may decline a gift of life insurance if it violates in any way, the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift life insurance.

The following requirements apply before a gift of Life Insurance can be accepted:

- In the case of a Whole Life Insurance policy, donated during the life of the donor :
  - The donor shall provide appropriate, independent evidence of the fair market value of the life insurance policy at time of Donation;
  - The donor shall, through his/her broker (if necessary), irrevocably transfer title to the life insurance policy to UWCA and provide documented evidence of such transfer to the Gifts Officer;
  - The Gifts Officer shall advise the donor and the broker that on an annual basis, UWCA is to be advised by the broker of the amount of premiums paid by or on behalf of the donor under the life insurance policy;
  - The Gifts Officer shall ensure with permission of the donor that the broker advises UWCA of any cessation in the payment of premiums by the donor;
  - In the event that a donor ceases to pay premiums under the policy, UWCA shall be provided the option in its sole discretion to:
    - Continue payment of the premiums or,
    - If sufficient cash value exists at time of cessation, to declare the life insurance policy to be fully paid.
- In the case of a Term Life Insurance policy:
  - The donor shall, through his/her broker (if necessary), irrevocably transfer title to the life insurance policy to UWCA and provide documented evidence of such transfer to the Gifts Officer;
  - The Gifts Officer shall advise the donor and the broker that on an annual basis, UWCA is to be advised by the broker of the amount of premiums paid under the policy;
  - The Gifts Officer shall ensure with permission of the donor that the broker advises UWCA of any cessation in the payment of premiums by the donor;
  - In the event that a donor ceases to pay premiums under the life insurance policy, UWCA shall be provided the option in its sole discretion to continue payment of the premiums.
- In the case of a life insurance policy where UWCA is the beneficiary at time of death and the donor seeks tax receipts for premiums paid:
  - The Gifts Officer shall request documentary evidence from the donor that UWCA is reflected as the beneficiary under the life insurance policy;
  - In the event that a donor ceases to pay premiums under the life insurance policy, UWCA shall be provided the option in its sole discretion to continue payment of the premiums.
- Once completed, the Gift of Life Insurance Form shall be directed to Finance and Donor Services for processing and issuance of tax receipts as appropriate.

### **Effective date**

This Policy shall have effect from March 2012

### **Revisions**

Frequency:	12 months
Date of last Committee review:	May 2020
Date of last amendment:	October 2020
Date of last Board approval:	December 5, 2020

## BEQUESTS, MEMORIAL GIFTS AND ANNUAL GIFTS TO TOMORROW FUND

### Policy Management Responsibility

Vice President Finance

Oversight by the Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

UWCA receives Bequests, Memorial Gifts and Annual Gifts directed to the Tomorrow Fund. If a gift is restricted as to use, or defined as an endowment gift or gift in perpetuity, the gift shall be treated as so restricted. If no donor restriction applies, the Board requires these contributions to be held as part of the Non-Endowment Fund of the Tomorrow Fund and retains the right to direct the use of these gifts and to subsequently remove or vary such internal restrictions.

#### 1. Bequests/Testamentary Gifts

Cash based Bequests comprise the majority of these types of gifts, but other assets are periodically left to UWCA. Non-cash Bequests require careful consideration on two fronts:

- Whether UWCA should in fact accept the gift. If the gift is inconsistent with UWCA's Objects, Mission, Vision and Values, UWCA should consider the conditions, if any, under which it will accept the gift;
- The fair market value of the gift would have been established immediately prior to the death of the donor, but typically a significant amount of time could pass before UWCA receives the gift. Accordingly the value will need to be re-established at the time of receipting the gift. Consideration will also be given to the ease of crystallization of value from the gift.

In cases of non-cash Bequests, UWCA may in its discretion engage the use of professionals and guidance of committee members in both deciding whether to accept the gift, and later in its disposition and is to consider the provisions of all applicable Gift Acceptance Policies before proceeding.

#### 2. Memorial Gifts

These gifts are typically smaller than Bequests and are usually cash. Any offer of a memorial gift that is not cash should be carefully considered as described above under Bequests.

This Policy applies to all Bequests, Memorial Gifts and Annual Gifts directed to the Tomorrow Fund. This excludes cases where UWCA is the beneficiary or owner of an insurance policy, which are covered under Life Insurance Policies.

#### 3. Annual Gifts

Annual Gifts to the Tomorrow Fund will be included as part of non-endowed funds unless the donor specifically requires the gift to be endowed.

### Policy Statement

#### Bequests

- UWCA welcomes donors to make charitable contributions in the form of Bequests. UWCA will work closely with donors to design a personalized plan for their Bequest gift.

- UWCA may decline a Bequest. The Chief Development Officer or the Vice President Finance in her/his absence shall communicate with the trustee or other party, the decision to accept or decline a Bequest, after appropriate assessment as described below.
- On receipt of notification from the trustee or other party that UWCA is to receive a Bequest, the Chief Development Officer and the Vice President Finance shall consider the nature of the Bequest and whether there are any restrictions attaching to the Bequest.
- If the Bequest is for cash, and all applicable restrictions are acceptable, the Bequest shall be accepted.
- If the Bequest is for shares or real estate, the provisions of the respective Policy for accepting such shares or real estate shall be applied.

In all other cases, counsel from the Finance Audit and Technology Committee is to be sought and professionals may be used to assist in this decision if necessary. Note that as it is unlikely that the estate will carry the costs of professional services, the cost thereof will need to be deducted from the bequest value in coming to a decision.

- The Vice President Finance shall ensure that appropriate records of each Bequest are maintained from time of first notification through to receipt of the gift.

#### Memorials and Annual Gifts directed to the Tomorrow Fund

- UWCA welcomes donors to make charitable contributions in the form of Memorial Gifts and Annual Gifts directed to the Tomorrow Fund.
- UWCA will work closely with donors to design a personalized plan for their Memorial and Annual Gifts.
- Memorial Gifts and Annual Gifts directed to the Tomorrow Fund shall be carefully assessed to ensure they are in fact Memorial Gifts or Annual Gifts directed to the Tomorrow Fund, and also for any restrictions on their use.
- The Director Finance and Donor Services shall consider any gift restrictions, and if necessary confirm with the Vice President Finance whether to accept or decline such a gift.
- UWCA may decline a Memorial Gift or an Annual Gift.

#### **Effective date**

This Policy shall have effect from March 2012

#### **Revisions**

Frequency:	12 months
Date of last Committee review:	May 2020
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Date of last Board approval:	December 5, 2020

## GIFTS IN KIND

### Policy Management Responsibility

Vice President Finance

Oversight by Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

Gifts in kind reflect a broad group of gifts including, as examples, tangible (artwork, furnishings, computers etc.) and intangible (use of timeshare, tickets to events, personal services). CRA pays particular attention to gifts in this class, because these gifts are often part of schemes (tax shelters) in which tax abuse occurs.

UWCA will similarly pay particular attention to gifts in this class. The nature of the gift, the ability to establish fair market value and, potentially, the ability to dispose of the gift are important criteria to be considered in deciding whether to accept the gift. The use of suitably qualified experts may be necessary in determining fair market value.

Note that gifts of services are not permitted under Canadian tax law as services are not ``property`` as defined. CRA does, however, accept the practice of cheque swapping. This entails the person billing UWCA for the service and then donating back the amount billed, once paid by UWCA.

This Policy applies to all non-cash gifts not otherwise treated in these Gift Acceptance Policies

### Policy Statement

- UWCA welcomes donors to make charitable contributions in the form of gifts in kind.
- Only gifts in kind with a fair market value in excess of \$50 or more shall be eligible for a tax receipt.
- Gifts with a fair market value up to \$1,000 may be accepted by the Director Finance and Donor Services or Chief Development Officer, subject to determinable value.
- Gifts with a fair market value greater than \$1,000 or where doubt exists in determining the fair market value under \$1,000 shall require the acceptance by the Vice President Finance.
- Gifts in excess of \$10,000 require the sanction of the Finance Audit and Technology Committee before acceptance.
- All gifts in kind shall be supported by appropriate evidence of fair market value. The Vice President Finance shall determine the acceptability of evidence of fair market value where there is any question around the validity thereof.
- The manager responsible for the work area where a gift in kind is offered to UWCA shall be responsible for ensuring appropriate evidence of the fair market value of the gift is gathered.
- Donors shall be responsible for the costs, if any, of determining the fair market value.
- UWCA may decline a gift in kind if it violates in any way the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift in kind.

### Effective date

This Policy shall have effect from March 2012

### Revisions

Frequency: 12 months  
Date of last Committee review: May 2020  
Date of last amendment: October 2020

Date of last Board approval: December 5, 2020

## OTHER RESIDUAL AND TESTAMENTARY GIFTS

### Policy Management Responsibility

Vice President Finance

Oversight by the Finance Audit and Technology Committee

Approval by Board

### PURPOSE AND SCOPE

Gifts in this group are very infrequent to UWCA. They are by nature complex and require careful consideration. Accordingly, each gift will be considered in its own right with appropriate application of the Guiding Principles (see page 6).

Unless there is specific instruction to the contrary by the donor, gifts defined below shall be held in the Tomorrow Fund in accordance with the provisions defining treatment of endowment gifts and non-endowment gifts.

This Policy governs the acceptance of the following types of gifts:

#### Gift Annuities:

- The gift annuity is a contractual arrangement whereby a donor transfers assets to UWCA in exchange for fixed, guaranteed payments for the life of the annuitant(s) or for a term of years. Determination of the gift receipt and taxation of annuity payments will be in accordance with applicable tax laws and CRA administrative policies.
- The gift annuity rates offered shall not exceed those recommended by the Canadian Association on Charitable Gifts for gift annuities, which are computed to produce an average "gift" remainder or residue of approximately 50% of the amount originally donated under the agreement. (Consequently the rates are lower than and are not in competition with rates being offered by commercial annuity issuers.) (<http://www.charitableannuities.org/standards>)
- Subject to the consent of UWCA, the donors may designate the purpose for which the gift annuity residuum is used. The "residuum" refers to the amount of the original contribution retained by UWCA after satisfying all annuity payment obligations.

#### Gifts of Residual Interests:

- A gift of a residual interest refers to an arrangement (ordinarily in the form of a trust) where property is irrevocably committed to UWCA, 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 or in a painting and retain possession of it. The donor is entitled to a gift receipt for the present value of the residual interest.
- The donor shall continue to be responsible for real estate taxes, insurance, utilities, maintenance and all other carrying costs after transferring title to the property unless UWCA, upon prior approval of the oversight committee, agrees to assume responsibility for any portion of these items. The

terms of the gift and responsibilities for expenses shall be specified in a deed of gift executed by the donor(s) and UWCA.

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

#### Gifts of Retirement Plans:

- Donors may reduce tax liabilities by naming UWCA as the beneficiary of their RRSP or RRIF plan. Throughout one's employment lifetime, many individuals contribute to an RRSP (Registered Retirement Savings Plan); at the end of the year in which the contributor or assignee of the plan turns 71 years of age, the RRSP must be converted into an RRIF (Registered Retirement Income Fund). At the end of the contributor's lifetime the proceeds are received by UWCA, and a Donation receipt would be issued. Similar treatment is afforded to a LIF (Life Income Fund).

#### Gifts of Charitable Remainder Trusts:

- 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. If the property is income producing, the net income will be paid to the donor and/or other named beneficiary. When the trust terminates (typically either at the death of the beneficiary(ies) or after a term of years), the trust remainder is distributed to UWCA. If the trust is irrevocable, the donor is entitled to a gift receipt for the present value of the residual interest at the time it is established.
- A charitable remainder trust may be funded with cash, securities, or real estate. If real estate is to be contributed, UWCA requires that donors select a trust institution or other qualified trustee to manage the Charitable Remainder Trust. All Donations of real estate shall first be subject to a thorough review as described in the guidelines pertaining to Gifts of Real Estate.
- If the donor selects an outside trustee, the trust may be funded with any property of any value that is acceptable to the trustee.
- The trust agreement shall be either drafted by or reviewed by the donor's own legal counsel. UWCA may make prototype agreements available to the donor's legal advisor, but shall execute no agreement until that person has independently determined that the trust agreement is in the proper form and that the gift is appropriate for the donor's situation.

#### **Policy Statement**

- UWCA welcomes donors to make charitable contributions in the form of Gift Annuities, Gifts of Residual Interests, Gifts of Retirement Plans and Gifts of Charitable Remainder Trusts as defined above.
- UWCA will work closely with donors to design a personalized plan for their gift.
- The Vice President Finance shall obtain the advice of professionals in assessing the acceptability of the gift, and shall obtain the sanction of the Finance Audit and Technology Committee prior to proceeding.
- UWCA may decline a gift in this class if it violates in any way, the Guiding Principles of UWCA's Acceptance of Gifts Policies, or any of the provisions of this Policy. UWCA shall advise the donor as soon as is practically possible of its decision to decline a gift in this class.

#### **Effective date**

This Policy shall have effect from March 2012

**Revisions**

Frequency:	12 months
Date of last Committee review:	May 2020
Date of last amendment:	October 2020
Date of last Board approval:	December 5, 2020



## APPENDIX A

### STATEMENT OF FUNDRAISING ETHICS

UWCA's fundraising officers employed by UWCA or volunteering for UWCA shall:

1. Act according to the highest standards defined by UWCA, their profession and sense of good judgment.
2. Avoid even the appearance of criminal offence or professional misconduct.
3. Be responsible for advocating, within their own organizations, adherence to all applicable laws and regulations.
4. Work for a salary or fee and shall not be paid on a percentage or commission based compensation.
5. Not pay, seek or accept finder's fees, commissions or percentage-based compensation for obtaining philanthropic funds and shall, to the best of their ability, discourage their organizations from making such payments.
6. Effectively disclose all conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
7. Accurately state their professional experience, qualifications and expertise.
8. Adhere to the principle that all donor and prospect information created by, or on behalf of, UWCA, is the property of UWCA and shall not be transferred or utilized except on behalf of UWCA.
9. Not disclose privileged information to unauthorized parties and shall keep constituent information confidential.
10. Not alter or otherwise edit any approved solicitation materials such that words or images depicting the organization's mission, vision and values, use of funds or community investment outcome measurements are inaccurate.
11. Ensure that reported results are accurate and consistent with Canadian Accounting Standards and with United Way of Canada's Transparency, Accountability and Financial Reporting Standards.
12. To the best of their ability, ensure that contributions are used in accordance with donors' intentions and shall seek explicit consent by the donor before altering the conditions of a gift.
13. Ensure, to the best of their ability, proper stewardship of charitable contributions, including timely fulfillment of any commitments on the use and management of funds
14. Ensure to the best of their ability, that donors receive informed and ethical advice about the expected tax receipt value of potential gifts.

All of the above notwithstanding, UWCA's fundraising officers shall comply with all applicable local, provincial, federal and international civil and criminal laws, and particularly in the context of fundraising, the Charitable Fund-Raising Act of the Province of Alberta.

## APPENDIX B

### POLICY MANAGEMENT RESPONSIBILITIES

The staff person defined in each policy as having Policy Management Responsibility shall be responsible for the following actions:

- Ensuring the Policy is reviewed by the relevant committee and taken to the Board for approval according to the frequency required under that policy.
- Updating the Policy with wording that reflects the intention of the Committee overseeing the Policy and/or the Board.
- Amending the “Reviewed date” on the policy
- Ensuring the revised wording of the respective policy is included in the overall “GIFT ACCEPTANCE POLICIES” document stored on SharePoint.
- Ensuring that the overall “GIFT ACCEPTANCE POLICIES” document is properly checked in to the share point library and that the version control reflects the history of the changes made.
- Communicating the changes to all users of the “GIFT ACCEPTANCE POLICIES” document and ensuring those users adequately understand the effect of the changes.
- Report on compliance by ensuring a declaration is provided by the senior staff person responsible, to the respective oversight Committee at each meeting confirming compliance with each policy since the last meeting. In the event of any non-compliance, the senior staff person responsible shall report such non-compliance to the respective oversight Committee and the Vice President Finance as soon as possible. The oversight Committee shall advise the Finance Audit and Technology Committee and the Board of any cases of non-compliance which present actual or likely material financial risk.

**APPENDIX C**

**SUMMARY OF STAFF AND COMMITTEES RESPONSIBLE**

<b>Policy</b>	<b>Staff person</b>	<b>Committee</b>
Gifts of Cash	Director Finance and Donor Services	Finance Audit and Technology Committee
Gifts of Publicly Traded Securities	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Gifts of Shares in Non-Publicly Traded Companies	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Gifts of Stock Options	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Gifts of Real Estate	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Gifts of Life Insurance	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Bequests, Memorial Gifts and Annual Gifts to the Tomorrow Fund	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Gifts in Kind	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee
Other Residual and Testamentary Gifts	VICE PRESIDENT FINANCE	Finance Audit and Technology Committee