

POLICY MANUAL: FOUNDATION - FUNDRAISING		POLICY: NEW
Heading: Niagara Peninsula Conservation FOUNDATION	Subject: GIFT ACCEPTANCE POLICY	Page: 1 of 22
		Date Approved: December 14th, 2018
		Replaces: 2016 Gift Acceptance Policy
APPROVAL: _____		CROSS REFERENCE: DONOR RECOGNITION POLICY DONOR BILL OF RIGHTS POLICY ENDOWMENT FUND MANAGEMENT POLICY

POLICY STATEMENT

Niagara Peninsula Conservation Foundation (NPCF) is a registered charity, and as such, welcomes donations that will enhance its mission in providing financial support to the Niagara Peninsula Conservation Authority (NPCA) to assist the NPCA in fulfilling its mandate throughout the watershed. Donations from individuals, organizations, associations, foundations, and both public and private sector corporations are becoming an increasingly important source of funds, and it is prudent to set out the provisions which govern Niagara Peninsula Conservation Foundation's donations and fundraising activity for the information of potential donors.

OBJECTIVES

1. Ensure Niagara Peninsula Conservation Foundation has the gift vehicles in place to encourage all types of donations.
2. Ensure that all gifts to NPCF comply with Canadian Revenue Agency (CRA) rules and regulations and are in the best interests of NPCA and NPCF.

Although NPCF is appreciative of all donations offered, it will not accept donations if such acceptance results in an abridgement of its freedom, autonomy, integrity or is contrary to law.

PROCEDURE

SECTION 1

1.2 ROLE OF THE FOUNDATION OFFICE

The Executive Director of the NPCF is the primary contact for fundraising activities of the NPCA. It shall be the responsibility of the Executive Director:

- to maintain and increase financial support for the NPCA;
- to develop and propose to the Foundation Board a comprehensive fundraising strategy including annual, capital, and planned gift efforts;

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- to coordinate all fundraising efforts relating to planning, staffing, cultivation and solicitation of donors so that prospects and donors are not solicited by multiple individuals on behalf of the NPCA;
- to advise the Chief Administrative Officer, senior staff, and other volunteers on matters relating to the cultivation, solicitation, and acceptance of gifts and grants in support of NPCA;
- to inform, serve, guide, and assist NPCA's constituents in fulfilling their family, financial, and philanthropic objectives;
- to undertake research on prospects and donors to identify donor interests and to maintain confidentiality with regard to research findings and donor records;
- to manage the processing, receipting, and documentation of gifts received by NPCF; and
- to report regularly to the internal and external community gifts, grants, pledges, and planned gift commitments received by NPCF.

1.3 ADMINISTRATION ASSESSMENT

To help defray the administrative costs associated with fundraising operations and gift administration, the following assessments will be made by the NPCF:

- All gifts specifically directed to the Niagara Regional Chair Outdoor Education Fund are assessed a 13% administrative charge;
- All spendable gifts made directly or indirectly to a specified or non-specified area or project are assessed a 15% administrative charge;
- All grant revenue will be assessed at a 15% administrative charge unless otherwise stated; and
- The NPCF also imposes an administrative assessment on charges incurred carrying out the purposes of funds directed to the Memorial & Recognition Program, i.e. Installment of memorial or dedication benches.

SECTION 2

2.1 DEFINITION OF A GIFT

Registered charities rely on the Income Tax Act, CRA Interpretation Bulletins, Information Circulars and jurisprudence (court rulings on CRA challenges of taxpayers' deductions of charitable donations) to guide them in defining a charitable gift and the issuance of charitable gift receipts.

The Income Tax Act does not specifically define a gift, but Interpretation Bulletin IT-110R3 defines a gift as a voluntary transfer of property with valuable consideration. Generally, a gift is made if all three of the conditions listed below are satisfied:

- some property -- usually cash -- is transferred by a donor to a registered charity; and
- the transfer is voluntary; and
- the transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value.

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2.2 TYPES OF DONATIONS

The following types of donations are eligible for consideration by NPCF:

- Cash (currency, cheques, credit cards, payroll deductions, electronic fund transfers)
- Gifts-in-Kind (artwork, cultural property, and other assets)
- Real estate
- Land
- Bequests
- Life Insurance
- Publicly Traded Securities
- Charitable Remainder Trusts
- Residual Interest in an Asset
- Gift Annuities
- Shares in Privately-Owned Companies or Business Interests.

The Executive Director is pleased to assist donors with information on important areas of need for the NPCA. Donors may request that their donation be used for a specific purpose, provided that purpose is consistent with the institutional mission.

Some payments are not acceptable as donations; however, Foundation staff will work with donors on a case-by-case basis to determine gift eligibility. Examples of unacceptable gifts can be:

- payment of a basic fee for admission to an event or program.
- payment of membership fees that convey the right to attend events, receive literature, receive services or be eligible for entitlements of any material value (In this regard, the right to vote at meetings and to receive reports of the charity's activities -- unless such reports are otherwise available for a fee -- are not considered to be of any material value).
- tuition fees or other payments for which any right, privilege, benefit or advantage may accrue to the donor.
- amounts received by loose collection, i.e. where a particular donor cannot be identified as having made a particular donation.
- contribution of services may not be acknowledged by issue of an official receipt. A gift must involve property. Contributions of services (that is, time, skills, effort) are not property and do not qualify. There is nothing prohibiting a charity from paying for services and later accepting the return of all or a portion of the payment as a gift -- provided it is returned voluntarily.
- donations of property where its cost has been or should be charged as a business expense. For example, if a taxpayer transfers merchandise or supplies to a charity in consideration of a right, privilege, material benefit or advantage such as promotion or advertising for the taxpayer's business, then the transfer would not be a gift.
- donations of old clothes, furniture, home baking, etc.
- a payment for a lottery or raffle ticket or other chance to win.
- a prize is not a gift.

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- gifts directed to a specified person or family. However, donations subject to a general direction from the donor that the gift be used in a particular program operated by the charity are acceptable provided that no benefit accrues to the donor, and the directed gift does not benefit any person not dealing at arm's length with the donor, and decisions regarding utilization of the donation within a program rest with the charity.

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2.3 SPECIAL EVENTS FUNDRAISING

Every initiative to raise funds, on behalf of NPCF, must first be submitted to the Executive Director for review, evaluation and approval to determine its impact on other approved and/or competing fundraising campaigns and programs and to avoid repeated, simultaneous or uncoordinated solicitation of the same prospective donor(s).

Any unit of the NPCA or an organization holding a special event, which wishes the Foundation to issue tax receipts for a portion of the ticket price, must first apply to the Executive Director before offering tickets for sale as stipulated in the Charitable Tax Receipt Issuance Procedure.

In applying for permission to offer tax receipts for part of the ticket price, the promoter must furnish the following information:

- the ticket price; and
- the fair market value of all of the “food, entertainment etc. available to a ticket purchaser.”

Revenue Canada, in Interpretation Bulletin IT-110R2 describes the method of calculating the gift portion of the purchase price of a ticket to attend a “dinner, ball, concert or show” or a “like event” as the “difference between the purchase price of a ticket and the fair market value of the food, entertainment etc. available to the ticket purchaser”.

It is not necessary or advisable to promise in advance a specific amount that is tax receiptable particularly if the fair market value of part of the ticket price is not known in advance.

In this regard, it should be noted that:

1. The receiptable amount is not related to the net profit or proceeds from the event. Moreover, while securing sponsorships may increase the net profit of the event it does not reduce the “fair market value of the food, entertainment etc. available to the ticket purchaser” or increase the receiptable gift portion for a ticket buyer;
2. Tax receipts may not be issued when the price of admission includes participation in a lottery for prizes or awards which have more than a nominal value. If one is offered such a prize, it is advisable to consult with Revenue Canada, Taxation, Charities Division;
3. When the event entails an auction, silent or otherwise, for there to be a receiptable gift portion of the ticket, the auction must be open to the public who have not purchased a ticket and that fact must be advertised on the ticket, the advertising for the event and on the signs outside of the event site. Copies of these materials should be kept on file by the event promoters, against a possible audit.

The value of any complimentary benefits provided to all participants for attending the event (e.g., pens and keychains) and the value of door and achievement prizes that all attendees are eligible for by simply attending the event will be viewed as a benefit (and will not be eligible for a tax receipt)

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unless the aggregate value of such items, per ticket sold, does not exceed the lesser of 10% of the ticket price and \$75.

2.4 CHARITY AUCTIONS

A registered charity can issue an official donation receipt to a donor for the fair market value of the property/item being donated for a charity auction.

At charity auctions, where the value of the item is clearly ascertainable (e.g., there is a retail price for the item) and made known to all bidders in advance, a tax receipt can be issued when the amount is in excess of the posted value.

The posted value of the item cannot exceed 80% of the accepted bid.

For example, if an item costing \$400 was sold at auction for \$500, the bidder would be eligible to receive a donation receipt equal to \$100 (the excess of the bid price over \$400).

2.5 GIFTS OF SECURITIES

NPCF accepts securities of publicly traded companies that are registered for trade at a securities exchange in Canada or the United States. These also include mutual funds and some retirement plans.

In accordance with CRA regulations, gifts of securities will be valued for receipting and recognition purposes on the appraised “fair market value” at the close of the day of the legal transfer of ownership to NPCF. The Finance Office will act as the conduit for the clearing of such donations. The tax receipt will be issued for the value on the day the ownership of securities is received by the Foundation.

The Executive Director or designate will work with the donor and his/her broker to provide direction as to the transfer of securities directly to the NPCF. Upon notification of the receipt of the securities, the Manager of Finance will:

- document the nature of securities donated.
- determine the fair market value of the securities at the time of ownership transfer.
- give direction for the issuance of an official tax receipt.
- assign any fees incurred in the transfer to the donation; as well as, any gain or loss on disposal.
- arrange for the liquidation of the investment as soon as is practical and prudent.

Capital gains, capital losses, and commissions on securities, are absorbed centrally by the NPCF, unless otherwise arranged with the donor. Deferred fees on mutual funds will be discussed with donors on a case-by-case basis due to the varying nature of the fees charged. Valuation costs for the appraisal of privately held securities are the responsibility of the donor.

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Equities, mortgages, or other long-term investments will not be held for extended periods. These investments will be liquidated as soon as is practical and prudent.

SECTION 3

3.1 DONATION PURPOSES

Niagara Peninsula Conservation Foundation accepts donations for a variety of uses and purposes. These are broadly defined as:

3.1.1 Expendable Gifts

Donations designated for expendable purposes are used for the most urgent NPCA needs, or for the special purpose requested by the donor.

3.1.2 Capital Gifts

Donations designated for capital purposes are used for buildings, renovations, improvements, equipment purchase and renewal, and maintenance of facilities and conservation areas.

3.1.3 Endowment Gifts

An Endowment is a fund in which the capital is preserved, and annual expenditures are restricted to a portion of the interest income from the investment. An endowment fund requires a minimum balance for it to generate sufficient annual income for the support of its intended program or service.

The Foundation's endowment funds are managed in accordance with its Endowment Fund Management Policy

Endowed gifts can be named, should appropriate donation amounts be reached toward the desired program, service or facility.

3.1.4 Gifts-in-Kind

NPCF will receive gifts-in-kind in support of its programs and services and to enhance its facilities and conservation areas. All gifts-in-kind become the property of NPCA.

Prior to receiving a gift in kind, the item(s) must be deemed acceptable to the NPCA. The Executive Director and NPCA CAO must approve the acceptance of the gift-in-kind taking into consideration issues or risks such as support costs, third party evaluation costs, impact on space and storage, and fit with the priorities of both the NPCF and NPCA.

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All proposals for gifts-in-kind are to be referred to the Executive Director who will, in consultation with the CAO, determine, after appropriate consultations, whether the gift should be accepted and what costs are associated with the acquisition, maintenance, insurance or other liabilities of the gift. The Executive Director will in all cases be responsible for appropriate acknowledgement of gifts, including receipts where appropriate.

Independent evaluations for income tax purposes are normally the responsibility of the donor; however, NPCF may participate on occasion.

3.1.5 Planned Gifts

A planned gift is a special, carefully planned tax-effective donation that considers giving objectives while balancing financial needs and family commitments.

A planned gift is usually made from assets, not current income and can be designed in such a way to obtain the best possible tax and financial benefits. It is probably the largest charitable donation a donor will make and is often intended to leave a permanent legacy. Planned gifts can be outright and immediate, although many -- such as bequests and life insurance--are deferred to a time in the future.

Examples of planned gifts are:

- Gifts of Cash
- Gifts of Securities
- Gifts of Property
- Donor Advised Funds
- Bequests
- Gifts of Life Insurance
- Gifts of Retirement Plans
- Charitable Remainder Trust
- Charitable Gift Annuities
- Endowment Fund

Fully paid up, or otherwise vested, insurance policies for which NPCF is owner and sole beneficiary will be credited and recorded as "future" expectancies of the Foundation at the unrealized death benefit (face value) of the policy in cases when the insured is age 65 or greater, and at the replacement value for donors younger than 65.

Bequest intentions, commitments of unpaid insurance policies, and other revocable deferred gifts will be recorded as "future" expectancies of NPCF at the value established in writing by the donor through a bequest intention form, a deferred pledge agreement, a contract to make a will, a letter, or a copy of appropriate sections of the will or of the insurance or trust document, etc.

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(1) Such revocable gift commitments will be permanently commemorated, subject to the donor's specific request and intent, only when the funds are irrevocably committed to Niagara Peninsula Conservation Foundation or when the gift matures.

(2) Bequest intentions for which the donor does not indicate a specific gift value and/or does not provide an estimate of a residuary bequest will be credited as future expectancies at a minimum value level of \$5,000.

NPCF will accept securities as charitable donations; the value of the official receipt will be determined by the fair market value of the security on the date the security is transferred to the Foundation.

A gift of securities is not considered complete until the securities are fully assigned and held by NPCF. For marketable securities such as stocks and bonds, the value of the receipt is determined by using the market value of the security at the close of business on the day the security is received by NPCF custodians. For non-marketable securities, the value of the official receipt will be determined by the parties, based on external appraisal.

Donors are encouraged to discuss planned giving options with their own advisors to ensure the options being considered are best suited to their personal financial situation.

SECTION 4

4.1 GIFT RECEIPTS FOR INCOME TAX PURPOSES

As a charitable organization under the Income Tax Act Niagara, the Foundation may issue official charitable donation receipts, which the donor/taxpayer may use to claim a non-refundable tax credit using NPCF's Charitable Business Registration number: **BN 119057511RR0001**.

All charitable donations accepted by NPCF will be receipted in accordance with the Foundation's Charitable Tax Receipt Issuance Procedure.

To be eligible for an official receipt the gift must be received and not merely pledged. The basic provisions dealing with charitable donations and their deductibility are to be found in sections 110.1 (for corporate gifts) and 118.1 (for individual gifts) of the Income Tax Act.

Receipts will be issued at cash or fair market value to the donors as provided for under the Income Tax Act. Certain donations, such as gifts of time or services, are gratefully accepted, although they are not eligible for a charitable gift receipt.

If NPCF, following internal consultation, is uncertain as to whether a donation qualifies as a charitable gift, a ruling will be sought in the following order: from a tax partner of Niagara Peninsula

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Conservation Foundation's external auditors, from Niagara Peninsula Conservation Authority's legal counsel or from Canada Revenue Agency. This ruling will be adhered to by the Foundation when issuing the official receipt.

CRA Taxation requires that charitable tax receipts be made out in the following manner:

1. If the cheque is drawn on a personal account, the charitable tax receipt must be issued to the person who signed the cheque. However, if the cheque-signer is not in the Foundation's database but is the spouse of an existing entity on the system, then the donation is entered into the existing record, rather than creating an additional record for the cheque-signer. (This action is facilitated by Revenue Canada's policy which allows either spouse to claim the benefit from donations made as a family).
2. If the individual who signed the cheque states in writing that the contribution was made by another party and that the cheque-signer is only forwarding funds on to the NPCF, the receipt is issued to the specified donor.
3. If the cheque is drawn on a corporate/business/organization account, the charitable tax receipt must be issued to the corporation/business/organization, not to the person who signed the cheque.
4. If an individual makes a donation via a corporate cheque when the donation was actually from a personal account held by the company, the individual has two options available:
 - (a) The individual can claim the donation for his/her personal income tax purposes, sending to CRA Taxation copies of the documentation to prove that the donation was debited from his personal account. In this case, the individual would be subject to a ruling from CRA Taxation as to whether they would accept the donation as a personal tax credit.
 - (b) The corporation can claim the donation on their own behalf, and then issue the individual a T4A slip, which the individual can use as a claim to offset his/her personal income.
5. If an individual/corporation/foundation/association acts as a collection agent for NPCF thereby gathering donations for a specific purpose, they will supply the Foundation with a complete list of names, addresses and individual donation amounts. NPCF will in this case issue tax receipts to each donor whose contribution is \$20 or greater.

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For a gift-in-kind receipt, fair market value will be defined through:

- an appraisal by a qualified expert (for donations under \$1,000); and
- an appraisal by an external qualified appraiser, who has an arm’s length relationship from both the donor and the Foundation and is approved by NPCF (for donations \$1,000 and above) for which the cost of the appraisal is to be paid by the donor, unless otherwise specified by the Foundation.

SECTION 5

5.1 CONTROVERSIAL GIFTS

Niagara Peninsula Conservation Authority and its Foundation’s reputations for integrity, credibility, social responsibility and accountability is its greatest asset.

As relationships between corporations, individuals, and foundations grow in number and complexity, it is important for NPCF to have clear policies and procedures in place to ensure that the relationships and agreements entered into and contributions accepted, are ethical, promote the mission of the organization, do not involve conflicts of interest, and do not promote activities, organizations or interests that conflict with NPCF or NPCA goals.

These guidelines are intended to address the most common practical and ethical concerns raised by relationships with and contributions from other organizations. They are general in nature and not intended to address every situation. They reflect the conclusion that ethical issues can be raised by the nature of a partner or contributor as well as by the activity carried out through the partnership or as a result of the contribution.

By adapting these guidelines on a case-by-case situation, both NPCA and NPCF can minimize the risk that they will inadvertently enter into relationships that could be publicly embarrassing, internally harmful or divisive and counterproductive to organizational goals.

These guidelines are intended to help in evaluating a variety of relationships, including giving or receiving financial or in-kind contributions; cosponsoring meetings, programmatic activities, conferences or other events; collaborating or partnering in research, publications and similar projects; and permitting the use of NPCA’s name or endorsement in cause-related marketing or similar agreements. See Appendix 1: Controversial Gift Assessment.

When an offer of a charitable gift is judged to be contrary to either the NPCF or NPCA’s best interest, the CAO may request that the terms be revised or the gift declined.

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Some reasons for the refusal of a gift would be that it:

- has an attached liability that could create an undesired financial burden;
- is from an individual, corporation, or organization whose philosophy and values are inconsistent with the overall philosophy and values of either NPCF or NPCA; and
- in any way violates federal and provincial laws or regulations.

When negotiating a gift on behalf of Niagara Peninsula Conservation Authority that is unusual or controversial in nature, the CAO must be consulted if the gift:

- might expose NPCF or NPCA to an uncertain liability;
- is precedent-setting or involves sensitive issues;
- are perceived to come from illegal or unethical activities;
- involve a proposal to name a program or facility area; or
- present questions as to whether they are within the role and scope of NPCA.

5.2 UNACCEPTABLE GIFTS

The Foundation has the right to decline any gift that is not consistent with its mission or the mission of the NPCA. Gifts will not be accepted by NPCF that:

1. Violate any federal, provincial or municipal law;
2. Commit NPCA to name a program or endowment fund, without prior approval of the Board of Directors;
3. Compromise NPCA's integrity or interfere with NPCA's judgment;
4. As a condition thereof, require any action on the part of NPCA which is unacceptable to the Niagara Peninsula Conservation Authority or violates NPCA's policies and regulations;
5. Require or stipulate the future employment at NPCA or its Foundation of any specified person or doing business with any specified company or person;
6. Contain unreasonable conditions;
7. Are financially unsound or that would expose NPCA to liability or embarrassment;
8. Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

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5.3 GIFT DOCUMENTATION

Gifts which are not covered under the standard Gift Agreement or Endowment Agreement, i.e., gifts-in-kind, interest free loans, etc. will be accompanied by a gift agreement, or terms of reference that has been approved and signed by the donor or designated representative and the appropriate NPCF/NPCA representative(s). Each gift agreement, or terms of reference should specify the following information:

- gift description, criteria/terms, history, administration, recognition and amendments;
- donor stipulations, matching fund possibilities, ongoing costs associated with the gift including insurance coverage;
- pledge and payment schedule. See Appendix 2: Gift Documentation.

5.4 POWER TO VARY CLAUSE

Donors who designate a gift to a specific purpose must be advised of the right of the Foundation to vary the gift designation in certain circumstances. Gift terms and named recognition may be amended by mutual consent of NPCA, NPCF and the donor or his/her representative, during his/her lifetime where possible.

If circumstances change at some future date and jeopardize the continuation of the intent of a gift or it is deemed inappropriate to continue with the named recognition, then NPCA and NPCF reserve the right, to make whatever changes may be required due to circumstances, including the amendment of monetary value, selection criteria, area of designation, or to discontinue use of the name. These amendments shall be made with the understanding that the amended terms shall adhere as closely as possible to the donor's original intent for the gift, where appropriate.

5.5 DONOR RECOGNITION

Public recognition will be accorded based on the level of the gift and in accordance with the Foundation's Donor Recognition Policy.

All donor requests for anonymity will be respected to the extent legally possible. Trust obligations require, as a minimum, that organizational officers empowered to accept gifts be aware of the identity of the donor before authorizing the issuance of a gift receipt for taxable purposes, in order to comply with the Income Tax Act.

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5.6 CONFIDENTIALITY

Donor names, together with donation amounts, are kept on a privileged and confidential basis, and are protected from disclosure unless permission is given by the donor, or there is a statutory requirement for disclosure.

5.7 PROFESSIONAL ADVISORS

Before any major or planned gift is accepted, a donor must be aware of the benefits of discussing the proposed gift and any possible appraisal costs with independent legal counsel and/or a financial advisor.

Niagara Peninsula Conservation Foundation recommends to donors that he/she seek such independent counsel in order to eliminate any perception of undue influence by representatives of NPCA or NPCF and will help to ensure the donor receives an independent explanation of the proposed gift. The donor is responsible for any expenditure incurred when seeking independent counsel or appraisals of proposed gifts.

Where necessary, NPCA's legal counsel will be called upon to perform material reviews related to a donation on behalf of the Foundation, assist donor advisors as necessary, and document reviews related to a donation that is drafted by the donor's advisors.

5.8 ETHICS

NPCF has an ethical responsibility to every donor and as such all staff, volunteers and professional representatives acting on behalf of NPCA and/or NPCF will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. The Foundation subscribes to the Donors Bill of Rights professional standards and code of behaviours as set out by the Association of Fundraising Professionals, and the Canadian Association of Gift Planners to serve as the ethical guidelines when raising funds for the NPCA.

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APPENDIX 1: CONTROVERSIAL GIFT ASSESSMENT

- Does the subject area of the proposed relationship raise special conflict of interest concerns? Such conflicts occur, for example, when corporations involved in a potentially harmful activity seek to influence research, publicity or educational programs about its products or services.
- What role will the proposed partner play in the relationship? If it is a funding relationship, what strings or constraints are attached? Are those constraints justified as a matter of responsible philanthropy? For example, reporting and budget requirements?
- Is the partner attempting to move our organization in a particular direction in terms of the work we do? Is that consistent with our mission?
- Will the partner participate in the design, execution, evaluation or publicity of a project?
- Will the partner approve materials prior to publication?
- Is our independence, objectivity and credibility fully protected, in fact and in public appearance?
- Does our proposed partner have other unwritten expectations about its role in the relationship? If so, these should be identified and put in writing before the relationship is initiated.
- Are negative consequences foreseeable from this relationship? For example, a relationship that advances the interests of a partner devoted to marketing a harmful product or service, or engaged in unethical business practices, or devoted to racist or other disagreeable causes - all would have foreseeable negative consequences. By lending our name to such an organization through our association, we would be seen as partners in advancing a harmful agenda, seriously damaging our organization's reputation.
- Is the proposed partner the subject of a boycott or other campaign by environmental, human rights, public health, consumer or other groups? Would our partnership harm an organized effort to sanction or change the behavior of our proposed partner? If so, we should independently investigate the reasons why our proposed partner is in this position before proceeding, and carefully consider the potential harm our partnership could do to the campaign or boycott. We also should consider how our decision to partner with a controversial entity might affect our organization's reputation, morale and public image.
- How will this relationship affect other relationships of value to us? Will it affect our image, reputation, credibility, ability to raise funds or other important assets?

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- Would we be comfortable if the details of this relationship appeared on the front page of a major newspaper or headlined on the television or radio news?

APPENDIX 2: GIFT DOCUMENTATION

Gift documentation wording enclosed is used as a sample and can be amended depending on the circumstances of the gift.

Gift Agreement

Gift Description

Description of Gift: _____

Gift Value: _____

Terms of Gift: _____

Recognition

Recognition is to be negotiated with the donor on a case-by-case basis based on the amount of the gift and in accordance with the Foundation's Donor Recognition Policy.

Amendments

NPCF maintains the rights to gifts and gifts-in-kind. The Foundation and NPCA will continue to use the name of the gift, where appropriate, and for the specified purpose, as described in this Gift Agreement, so long as it remains in use, serves its original function, and is practical and possible for NPCA and NPCF to maintain, in consultation with the donor (or representative), where possible. If the donor (or representative) cannot be reached, the Foundation, in consultation with the NPCA, will direct the gift toward a new purpose that is as close as possible to the original intent of the gift. The support provided by the redirected gift can continue to be identified with the donor, changed or withdrawn.

Acceptance of Gift

Be it known that I(We), <Name(s) of Donor and City, Province> the rightful owner(s) of the above described property do transfer full title and all privileges of ownership to Niagara Peninsula Conservation Foundation.

Date: _____

Signed: _____

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Donor

Niagara Peninsula Conservation Foundation gratefully accepts and delivers into its possession the above described property at Welland, Ontario.

Date: _____

Signed: _____
Name of Institutional Representative

Title of Institutional Representative

Department

Date: _____

Signed: _____
Executive Director, Foundation

Endowment Profile and Terms of Reference

Fund Description

Name of the fund: _____

Principal amount of the endowment: _____

Annual disbursement: _____

Date initiated: _____

As amended: _____

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Naming Opportunity/Gift Criteria

Name: _____

Value: _____

Other details: _____

Criteria: _____

Deadline: _____

Fund History

Fund Administration

The <FUND NAME> shall be established and managed by the Foundation in accordance with the Endowment Fund Management Policy. This fund shall earn investment income in a manner consistent with the Endowment Fund Management Policy’s investment guidelines for the Niagara Peninsula Conservation Foundation Trust Fund.

In order to establish the financial security of this endowment, and to ensure that this fund holds its principal value, the annual “spending rate” will be up to 5% of the total value of the fund. If the rate of return is higher than 5%, any additional earnings will be recapitalized on the principal amount.

If the rate of return is lower than five percent in a given year, the donor may choose:

- to pay the award out at the current rate of return. Example: 3% rate of return on a \$10,000 endowment = \$300 award instead of the projected \$500 award;

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- to make an additional cash contribution equal to the difference between the payout value and the current rate of return. Example: 3% rate of return on a \$10,000 endowment = \$300 + \$200 in order to payout the award at 5%;
- to not disburse the award in the coming year and allow the fund to retain its earnings until such a time that it reaches the prescribed distribution rate (5%).

Terms of Reference:
<NAME OF ENDOWMENT FUND>

Recognition

NOTE: Select Option A or B depending on the type of endowed gift.

Option A: Endowed Scholarship, Bursary, or Award

Niagara Peninsula Conservation Foundation will report annually on the status of the fund (named recipients, background information on recipients if requested, awards luncheon details, etc.) to the primary representative of the endowment.

This award will be presented to a qualified recipient each year in January. The primary endowment representative will receive an invitation to the annual volunteer dinner, which provides an opportunity for the donor to meet with the award recipient. This event is held to celebrate the outstanding achievements of our volunteers.

The Executive Director will be the designated representative for the Foundation responsible for reporting information to the primary representative of the endowment.

Option B: Other Endowed Gifts (i.e. Programs,)

The Foundation will report annually on the status of the fund (background information on appropriate individuals related to the fund, progress on research activities etc.) to the primary representative of the endowment.

The primary endowment representative will receive invitations to NPCA and NPCF events as they relate to the endowment and will be involved with NPCA in other meaningful ways as appropriate.

NOTE: Additional forms of recognition can be negotiated with the donor on a case-by-case basis based on the amount of the gift.

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The Executive Director will be the official representative for the Foundation and will be responsible for reporting information to the primary representative of the endowment.

Amendments

OPTION A:

These terms may be amended by mutual consent of NPCF and the endowment representative, during his/her lifetime.

If circumstances change at some future date and jeopardize the continuation of these awards, and the endowment representative is either not living or unable to consent to an amendment, then the Foundation reserves the right to make whatever changes may be required due to circumstances, including the amendment of monetary value and selection criteria. These amendments shall be made with the understanding that the fund shall continue to bear the <NAME OF ENDOWMENT FUND> name and the amended terms shall adhere as closely as possible to the family's original intent for this endowment fund.

OPTION B:

Niagara Peninsula Conservation Foundation maintains the rights to gifts and gifts-in-kind. The Foundation will continue to use the name of the gift, where appropriate, and for the specified purpose, as described in this Gift Agreement, so long as it remains in use, serves its original function, and is practical and possible for NPCF to maintain, in consultation with the donor (or representative), where possible. If the donor (or representative) cannot be reached, the Foundation will direct the gift toward a new purpose that is as close as possible to the original intent of the gift. The support provided by the redirected gift can continue to be identified with the donor, changed or withdrawn.

Terms of Reference:
<NAME OF ENDOWMENT FUND>

Award Conditions

NOTE: This section required if the scholarship, bursary, award or gift is made on an annual basis.

In order to establish a named annual award, a donor must commit initially to at least three years of support, after which the award can be renewed one year at a time so as to maximize student awareness.

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If the award(s) is to be discontinued, the donor will endeavour to give notice prior to January 31 in any given year.

Contact Information

Endowment Contact: _____

Primary Family Contact: _____

Niagara Peninsula Conservation Foundation Contact:

Executive Director

Signed:

I, <ENDOWMENT CONTACT>, gift \$<AMOUNT> to establish the <NAME OF FUND>Endowment, as outlined in this document with payment received on <DATE>.

NOTE: This section required for annually funded scholarships, bursaries or awards.

We, <DONOR>, hereby pledge to give to Niagara Peninsula Conservation Foundation the sum of \$ per annum for a period of 3 years to establish the <Award Name>.

We undertake to provide the agreed annual sum on or before December 31 of each year in order that the award may be presented at the Conservation Achievement Awards Dinner.

Date

Endowment Contact

Date

Executive Director

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APPENDIX 3: GLOSSARY OF KEY TERMS

Gift:

A voluntary transfer of cash and kind, from individuals, industry, foundations and other sources to NPCF for either unrestricted or restricted utilization. Gifts are made without expectation of return; no consideration - no benefit of any kind - to the donor or to anyone designated by the donor may result from the payment. Gifts may be monetary (cash, cheques) or non-monetary e.g. securities, real property, or personal property).

Private Grants:

Revenues received by NPCF from individuals, industry, foundations, governments, and other sources, for the support of programs/projects. Such grants are like gifts – they are donative in nature and they are bestowed voluntarily without expectation of any tangible benefit in return.

Contracts/Research Agreements:

Restricted payments received by NPCF from various contractors, made in accordance with the terms of contracts entered into by NPCF to conduct specific programs. These are not considered gifts, and therefore not subject to this policy.

Official Charitable Receipt:

The official charitable receipt is a statement issued by the Foundation to donors that includes the business number issued to NPCF by Canada Revenue Agency, a declaration as to the value of the gift, date of the gift and name of the donor. Receipts are normally accepted by the Canada Revenue Agency to support the calculation of the allowable "non-refundable tax credits".

Gift-in-Kind:

Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, automobiles, inventory, personal property, securities, and other physical assets or materials, which represent value to NPCF and NPCA.

Expendable gifts:

Gifts or grants given to NPCF, which the donor has directed are to be immediately used in support of various programs or projects.

Retained gifts:

Gifts or bequests, given to NPCF, to be held permanently for the income derived, as part of the NPCF endowment fund.

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Designated gifts:

Gifts, given to NPCF, where the donor has specified where the support is to be directed. Gifts may be “designated”, for instance, to a particular program, conservation area, capital purchase or project.

Undesignated gifts:

Gifts, given to NPCF, where the donor has not specified where in NPCF the support is to be directed.

Unrestricted gifts:

Gifts, given to NPCF, where the donor has not specified the purpose for which the gift is to be used.

Restricted gifts:

Gifts, given to NPCF, where the donor has specified that the gift is to be used to support a particular purpose.

Gift Pledges:

Gift contributions to NPCF, which are "pledged" over a period of time (normally to a maximum of 5 years, depending on the size of the gift and the nature of the appeal).