

GIFT ACCEPTANCE POLICY Canadian Gift Policy



Policy Title: Gift Acceptance Policy

Policy #: CFG - 1

Policy category: Fundraising

Board of Directors' Approval Date: August 27, 2023

To support the work of **Cameras For Girls**, **Cameras For Girls** welcomes support from individuals, corporations, foundations, associations, partnerships, and others, without limitation, providing the source of the donation is consistent with the organization's mission, values, and goals. Management will make this determination unless the gift source might expose **Cameras For Girls** to liability, is precedent-setting or involves sensitive matters, in which case, the final decision rests with the Board of Directors.

The form of support may be donations, grants, sponsorships, joint marketing initiatives and other initiatives consistent with **Cameras For Girls'** mission, values and goals. It may also be goods (in the case of gifts-in-kind or securities that are consistent with **Cameras For Girls'** mission, values and goals.

Purpose

This Gift Acceptance Policy aims to guide decisions regarding the acceptance, valuation, tax receipt and Management of gifts or donations in Canada to **Cameras For Girls**.

The form of support covered under this policy includes donations and grants, keeping within the Income Tax Act (Canada) regulations, Canada Revenue Agency guidelines and any other applicable guidelines.

SECTION 1 – ACCEPTANCE OF RESTRICTED AND UNRESTRICTED GIFTS



Donors are encouraged to make unrestricted gifts wherever possible to allow **Cameras For Girls** to direct donations to the areas and programs of greatest need.

However, **Cameras For Girls** acknowledges the importance of and will support designated gifts when that designation is consistent with the priority needs of **Cameras For Girls**, as outlined in the agency's annual operating budget and/or strategic goals.

All acceptances of gifts must also comply with relevant **Cameras For Girls** policies and codes.

Change of purpose of a gift

Upon acceptance of a designated/restricted gift, there will be no change in the use of that gift, or any portion thereof, without the Donor's or his/her/their agent's consent.

If a revised purpose for the use of the gift becomes necessary, **Cameras For Girls** will consult with the Donor where reasonably possible.

If **Cameras For Girls** is unable to honour the purposes outlined above, the Donor shall have the right to:

- Assign the gift, and associated terms, to the organization for another charitable purpose and/or designation.
- Request and receive the return of the gift, in the amount of the gift upon receipt with no interest or further accrual, on the condition that any tax benefit claimed by the Donor for the portion of the gift in question equals \$0.

If the original purpose of the donation is no longer relevant and in the event the Donor or their agent is no longer able to approve or decline consent for a change of purpose, the funds will be used to advance the mission of **Cameras For Girls** for other purposes consistent with the original intent and spirit of the gift.

Declining a gift

Cameras For Girls reserves the right to decline a gift. The final decision to accept or reject a gift rests with Management. When a gift might expose **Cameras For Girls** to liability (e.g. real estate and other gifts in kind), is precedent-setting or involves sensitive matters, the Board of Directors will be consulted for resolution.

Acceptance of a gift does not imply endorsement by **Cameras For Girls** of any product, service or philosophy of the Donor.

Privacy

Gift details provided to **Cameras For Girls** by donors will be kept confidential and in compliance with all relevant **Cameras For Girls** policies. All information in donor files will be maintained in a



locked office or cabinet or have appropriate security measures for electronic information for privacy and security purposes.

Supporting Documentation

Cameras For Girls will ensure supporting documentation exists for gifts with multi-year commitments designated for specific purposes or amounts in excess of \$10,000.

Returning Gifts

In certain circumstances, it may become necessary for **Cameras For Girls** to return a previously accepted donation. The Board of Directors will decide to return a gift in consultation with legal and financial counsel.

Cameras For Girls will comply with Canada Revenue Agency requirements when a decision is made to return a gift. In addition to the return of the identical property, on the condition that any tax benefit claimed by the Donor for the portion of the gift in question equals \$0, **Cameras For Girls** will provide the Donor with a revised charitable tax receipt. A copy of this tax receipt will be filed with Canada Revenue Agency.

Such instances could include, but are not limited to:

- Where continued association with the Donor would result in harm to the agency's reputation
- Where a donation is determined to have been the proceeds of a crime
- The terms of the donation agreement can no longer be honoured, and a new agreement cannot be negotiated with the Donor or their heirs or assigns.

SECTION 2 – DEFERRED GIFTS

To support its work, **Cameras For Girls** welcomes support from individuals in the form of deferred gifts such as bequests, life insurance, retirement plans such as RRIFs or RRSPs, charitable gift annuities, charitable remainder trusts and other gift vehicles that may be categorized as deferred gifts in the future.

Donors are strongly encouraged to review the terms of deferred gifts with **Cameras For Girls** staff to ensure **Cameras For Girls** can honour Donors' wishes.

Cameras For Girls strongly recommends all Donors seek advice from professional advisors and discuss the matter with family when considering a deferred gift to **Cameras For Girls**.

Allocation of Undesignated Bequests

The Board of Directors will decide at the beginning or end of each year where some bequests are set aside for a reserve/rainy day/special needs fund.



Tax Receipting for Deferred Gifts

Tax receipts for deferred gifts will be issued in accordance with the Income Tax Act (Canada) regulations, Canada Revenue Agency guidelines, requirements for the specific gift vehicle involved and all applicable **Cameras For Girls** policies.

SECTION 3 – GIFT OF SECURITIES

Cameras For Girls can receive gifts of securities such as shares, bonds, warrants and options listed on any prescribed stock exchange, including Canadian stock exchanges, the NYSE, AMEX, and NASDAQ.

Cameras For Girls can also receive gifts of mutual funds/units, pooled fund units and segregated fund units. However, **Cameras For Girls** cannot directly accept gifts of privately traded securities.

Electronic Transfers

To value the income tax receipt for securities transferred electronically, the gift's value will be based on the closing market value on the day the gift is received in **Cameras For Girls'** brokerage account.

Securities transferred via a share certificate.

If the gift of securities is delivered via share certificate, the value of the gift, to the value of the income tax receipt, will be based on the closing market value on the day **Cameras For Girls** takes possession of both the share certificate and the transfer documents/Power of Attorney.

Treatment of Securities Upon Possession by Cameras For Girls

Canada Helps will transfer and determine the value of the gift of securities through its platform and issue a direct tax receipt upon sale based on the closing market value.

Cameras For Girls will absorb gains, losses and commissions on the sold securities.

Recognition

Recognition will be based on the receipted value of the gift and in keeping with **Cameras For Girls'** various recognition practices and programs.

Cameras For Girls adheres to the Association of Fundraising Professionals' Code of Ethical Principles and Standards.

SECTION 4 – GIFTS-IN-KIND



This Gift-In-Kind Policy aims to guide decisions about the acceptance, valuation and tax receipt of in-kind (non-cash) gifts.

Policy

In-kind gifts of real or tangible personal property: From time to time, **Cameras For Girls** is approached with gifts-in-kind such as tangible personal property, real property or gifts of services. **Cameras For Girls** will accept and receive those in-kind gifts it deems appropriate in accordance with the Income Tax Act (Canada), Canada Revenue Agency guidelines and requirements, and relevant **Cameras For Girls** policies and codes.

Cameras For Girls will accept in-kind gifts of tangible personal property which can be used for:

- Sale to purchase equipment for the workshops held in Africa
- Program delivery or facilitation
- Revenue generation through sale or auction
- Other purposes that may arise from time to time that benefits **Cameras For Girls**.

Other in-kind gifts, as defined in the Definitions section of this policy, will be addressed on a case-by-case basis.

In-kind gifts of services: Registered charities cannot issue official charitable income tax receipts for gifts of services. However, a gift of services may be eligible for a tax receipt through a cheque exchange.

Receipting for cheque exchanges will be determined on a case-by-case basis.

Acceptance

Cameras For Girls reserves the right to decline a gift. The final decision to accept or reject a gift rests with Management. When a gift might expose **Cameras For Girls** to liability (e.g. real estate and other gifts in kind), is precedent-setting or involves sensitive matters, the Board will be consulted for resolution.

Received in-kind gifts will be accompanied by supporting documentation.

Appraisal and Valuation of In-Kind Gifts to issue a Charitable Tax Receipt

According to Canada Revenue Agency, if the property's fair market value is less than \$1,000, a registered charity member or another individual with sufficient knowledge of the property may determine its value.

The person who determines the item's fair market value should be competent and qualified to evaluate the particular property being donated.



According to Canada Revenue Agency, if the fair market value is expected to be more than \$1,000, CRA strongly recommends that the property be professionally appraised by a third party (that is, someone not associated with the Donor or the charity).

1. Donations Estimated to Be \$1,000 Or Less in Value

A knowledgeable staff member will determine the importance of the proposed gift to **Cameras For Girls** and determine if the organization will benefit from the donation. Once a favourable decision has been made, a knowledgeable staff member will evaluate the item at a fair market value and document this decision.

Should the Donor wish for an independent appraisal of the donation, the assessment will be done at the Donor's expense. The staff member will recommend the issuance of a tax receipt for the fair market value. A copy of the documentation will be kept as a backup for the tax receipt.

NOTE: It's your decision whether you want to assume the appraisal cost.

2. Donations Estimated to Be in Excess Of \$1,000 In value:

In keeping with the Revenue Canada recommendations, an independent appraisal will be conducted for gifts-in-kind estimated to be valued in excess of \$1,000.

Cameras For Girls will assume the cost of the appraisal. A copy of the official appraisal will be provided to the Donor along with the tax receipt for the donation. The name and address of the appraiser must be included on the official donation receipt.

NOTE: If the property was donated within ten years of acquisition or was acquired through a tax shelter arrangement, the "[deemed fair market value rule](#)" may apply.

What is deemed fair market value?

The deemed fair market value rule states that, under certain conditions, a receipt issued for a non-cash gift must be issued for the lesser of the gift's fair market value and its cost to the Donor (or, in the case of capital property, its adjusted cost base) immediately before the donation is made. The conditions are as follows:

- The gift was donated to the charity after December 5, 2003; and
- The Donor initially acquired the gift received by the charity as part of a tax shelter arrangement; or
- The gift was acquired less than three years before the time of donation; or
- The gift was acquired less than ten years before the donation. One of the primary purposes is to gift the property to a qualified donee (for example, a registered charity).

Example



A Donor purchases a work of art for \$300 and six months later donates the work to a registered charity. Before gifting the art, the Donor has the piece appraised at \$1,000. The registered charity would like to issue the Donor an official donation receipt.

Because the Donor is gifting the art within three years of having purchased it, the charity must issue a receipt for the gift at the lesser of its fair market value and its cost to the Donor immediately before the gift was made. In this example, the official donation receipt must be made out for \$300.

NOTE: If a donor makes a gift in kind (non-cash) donation to a charity, for which a receipt is issued, and fails to notify the charity that the gift in kind is subject to the deemed fair market value rule, the value of that Donor's gift could be reduced to nil.

Gifts exempt from the deemed fair market value rule (normally assessed at fair market value):

- Gifts made as a consequence of a taxpayer's death;
- Gifts of inventory;
- Gifts of real property situated in Canada;
- Gifts of certified cultural property (special valuation procedures apply); and
- Gifts of certain publicly traded securities.

DEFINITIONS AND TYPES OF GIFTS ACCEPTED

Types of Gifts Accepted

Cameras For Girls will accept donations through the following giving vehicles, subject to the terms outlined below:

- **Cash or Equivalent:** Cash donations include those received through cheques, debit and credit cards. Pledges or cash or equivalents will also be accepted.
- **In-Kind Gifts:** In-kind gifts include food and packaged goods, tangible personal property, real property and goods or services, as outlined in Policy #2, Gift-in-Kind Policy.
- **Gifts of Securities:** Gifts of securities include donations of publicly traded and thinly traded securities, as outlined in section #3 of this policy: Gifts of Securities.
- **Deferred Gifts:** Deferred gifts include bequests, life insurance, retirement plans such as RRSP's and RRIF's, charitable gift annuities, charitable remainder trusts and other gift vehicles that may be categorized as deferred gifts in the future, as outlined in Section #2 of this policy: Deferred Gifts.

Definitions

Gift or Donation: The terms "gift" and "donation" are often used interchangeably. For the purposes of this policy, "gift" and "donation" are understood to mean the same thing, that is, a



voluntary transfer of cash or in-kind goods from individuals, corporations, foundations and other sources to **Cameras For Girls** for the either undesignated or designated use. Gifts are made without the expectation of a tangible return.

Deferred Gift: Deferred giving is the process of making a gift commitment today for delivery to **Cameras For Girls** at a future date. The most common forms of deferred gifts include bequests, life insurance, retirement plans such as RRSPs and RRIFs, charitable gift annuities, charitable remainder trusts and other gift vehicles categorized as deferred gifts in the future. See **Cameras For Girls'** Policy #3, Deferred Gifts Policy.

Designated or Restricted Gift: A gift given to **Cameras For Girls** where the Donor has specified how the support will be directed.

Undesignated or Unrestricted Gift: A gift given to **Cameras For Girls** where the Donor has not specified how the support will be directed. **Cameras For Girls** will determine the most appropriate use of the gift.

In-kind: Goods or services (as opposed to cash).

Real Property: Property in the form of land and buildings.

Tangible Personal Property: Personal property items owned by a donor.

Other In-Kind Gifts: For the purposes of this policy, other in-kind gifts include items other than real or tangible personal property or services and may include leasehold or residual interest, inventory and cultural property.

Services: Services include intangible items like time, skills and effort. At law, a gift is a voluntary transfer of property without consideration. Contributions of services (for example, time, skills, effort) are not property. Therefore, they do not qualify as gifts to issue official donation receipts. **Cameras For Girls** cannot issue a charitable income tax receipt for a gift of service.

However, a charity can issue a charitable income tax receipt under the following conditions:

If a charity pays a service provider for services rendered and the service provider then chooses to donate the money back, the charity can issue a receipt for the monetary donation (this is often referred to as a cheque exchange). In such circumstances, two distinct transactions must take place:

- A person provides a service to a charity and is paid for that service; and
- That same person makes a voluntary gift of property to the charity.

A charity should also ensure that it keeps a copy of the invoice issued by the service provider. The invoice and cheque exchange not only ensure that the charity is properly receipting a gift of property, but they also create an audit trail, as the Donor must account for the taxable income that is realized either as remuneration or as business income.



A charity should not issue an official donation receipt to a service provider in exchange for an invoice marked "paid ."This procedure raises questions about whether any payment has been transferred from the charity to the service provider and, in turn, whether any payment has been transferred back to the charity.

