

**Policy: Gift Acceptance and Valuation Policy Template**

**Approval Date:** \_\_\_\_\_

**Approved By:** \_\_\_\_\_

**Purpose:**

This Gift Acceptance and Valuation Policy (GAVP) provides guidance to the Church regarding the planning, promoting, receipting, accepting, and disposing of charitable gifts. All gifts accepted by the Church shall comply with charitable giving procedures in compliance with all provincial and federal laws and regulations.

This GAVP will be reviewed by the **(you name the committee responsible)** on a(n) **(you name the frequency)** basis or as circumstances may require. Revisions or recommendations to the policy are to be approved by the Board **(or you name the committee)**.

**Key Terms and Definitions:**

The “Board” refers to your name for the leadership team for your church.

A “donor” is any individual, partnership, corporation, foundation or other legal entity that makes a charitable gift to the Church.

A “gift” is a voluntary transfer of property without consideration.

An “inter vivos gift” is a gift made from one or more persons, without any prospect of immediate death, to one or more others.

The “Fair Market Value (FMV)” is generally considered the highest price, expressed in a dollar amount that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and prudent, and who are acting independently of each other.

A gift that is “unusual” is generally a non-cash gift, other than publicly-traded securities.

“Unreasonable” is generally considered beyond the normal scope of using good judgment.

## Categories of Giving:

Outright gifts generally include:

- cash and cheques
- publicly-traded securities
- real estate
- personal property

Deferred gifts generally include:

- bequests
- pooled income funds
- endowment funds
- life insurance policies

The gift stewardship programs at the Church generally consist of these categories:

- Non-donor-designated gift support
- Donor-designated gift support for special projects
- Donor-designated gift support for long term purposes, which hold specific restrictions as to the application and use of the gift's principal and its income (such as 10 year gifts)
- Donor-advised gift support, which hold specific advice to the application and use of the gift's principal and its income

## Special Policy Notations

<b>Acceptance of Gifts</b>	The Board shall delegate to <b>(you name the committee)</b> of the Church the ability to accept gifts on behalf of the Church. This committee shall have the sole and absolute discretion on gifts received which hold unclear, impossible, inadvisable or impractical instructions for distribution as well as the ability to recover costs for gifts that require additional administrative and/or other professional advice.
<b>Compatibility</b>	All gifts must be consistent with the charitable purposes and objects of the Church.
<b>Prior Approval</b>	All gifts that are unusual in nature should be referred to the Board for prior approval. The Church reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions.
<b>Fundraising Appeals</b>	The Board will establish and approve any appeal for the solicitation of gifts.
<b>Internal Records</b>	All documentation regarding donors must be maintained and controlled by <b>(you name the person / committee)</b> . All donor information is confidential and unavailable to the public unless prior written consent of the donor is obtained or otherwise required to be disclosed by law.

<b>Fees Commissions</b>	The Church will not pay fees to any person for directing a gift (i.e. incentive based fundraising). The Church holds to a comprehensive policy on ethical fundraising and financial accountability.
<b>Professional Appraisal Fees</b>	If professional or appraisal fees are necessary, the Church shall use best efforts to estimate the reasonableness of fees prior to payment and will ensure disclosure of same to donor. Appraisals, where necessary, will be completed by individuals who are competent and qualified to appraise property and who have no conflict of interest.
<b>Gift Acknowledgement</b>	All accepted gifts will be acknowledged immediately with an acknowledgement letter, which will include an official tax receipt, if applicable. All official tax receipts for gifts will comply with the Income Tax Act (ITA) and Regulations. For acknowledgement and recognition purposes, in regard to gifts given by the Church to Qualified Donees at the original donor's request, the Church will disclose such donor's name, except for those gifts specifically designated by such donor as anonymous.
<b>Gift-in-Kind</b>	The date of "fair market value" will be established for inter vivos gifts as the date of title transfer. In the absence of any ability to determine valuation, the donor's acknowledgement will carry a stated gift value of zero (\$0). The proper valuation processes are set forth in the section <b>Gift Valuation Guidelines</b> of this GAVP. A <b>Gift-in-Kind Information Form</b> will be used for the purpose of accepting all gifts-in-kind, except for gifts of securities (see Appendix I).
<b>Conflict of Interest</b>	The Church will be cautious in all dealings with donors in order to avoid even the appearance of impropriety.
<b>Gift Valuation</b>	The Church will follow standard practice guidelines for the industry in valuing all outright and deferred gifts. The proper process of valuing non-cash property will be made pursuant to the <b>Gift Valuation Guidelines</b> of this GAVP.
<b>Gifts that cannot be accepted</b>	The Church may choose to decline a gift. The following conditions may justify such an action, although other situations may also result in a declined gift: <ul style="list-style-type: none"> <li>• Any gift with features contrary to the charitable purposes and objects of the Church</li> <li>• Any gift that violates any provincial or federal laws</li> <li>• Any restrictive clause that may bring unwarranted pressure or embarrassment to the Church</li> <li>• Any gift that contains unreasonable conditions, liens or other encumbrances</li> <li>• Any gift that presents exposure to unacceptable liability</li> <li>• Any gift that could financially or morally jeopardize the donor or the Church</li> </ul>

- Any gift where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for the Church
- Any gift that could jeopardize charitable status of the Church
- Any gift that could improperly benefit any donor
- Any gift that holds a condition that is revocable in any way

### **Gift Acceptance Guidelines**

Gifts can be generally categorized as either outright or deferred. The Church recommends that individuals seek independent legal/financial advice before making any significant outright or deferred gifts.

The designated giving policy for the Church is:

*(insert your policy here; it will probably resemble the following statement)*

*“Spending of funds is confined to Church approved programs and projects. Each restricted contribution designated toward an approved program or project will be used as designated with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason as determined by the Church, the remaining restricted contributions designated for such program or project will be used where needed most.”*

### **Outright Gifts**

- *Cash and Cheques* – This shall include electronic fund transfers and credit cards. All cheques shall be made payable to the church.
- *Publicly-Traded Securities* – the Church will accept only publicly-traded marketable securities that are to be sold immediately without restriction.
- *Real Estate* – All gifts of real estate will be referred to the Board for prior approval. Prior to any acceptance of a gift of real estate, the Church may require the completion of the following as appropriate:
  - Arms-length appraisals
  - Title search
  - A marketability check
  - An on-site evaluation
  - An environmental survey
  - Determination of other costs or concerns
- *Personal Property* – Unique gifts will be considered. Acceptance is entirely in the sole discretion of the Board.

### **Deferred Gifts**

- *Estate Gifts* – Consist of bequests to the Church through a Will or Testamentary Trust. The Church reserves the right to decline any gifts from the estate of a deceased donor which is not in compliance with this GAVP.
- *Planned Gifts* – Deferred gifts may also consist, but are not limited to, the following types of planned gifts:

- *Donor-Advised Pooled Funds* – a minimum initial contribution (\$100,000) is required. Any exceptions to this minimum will be referred to the Community Trust Fund Trustees.
- *Donor-Advised Pooled Funds - 10-Year Gifts* – a minimum initial contribution (\$500,000) is required. Any exceptions to this minimum will be referred to the Leadership Team. All agreements relating to these types of gifts must balance the obligations of the Church in administering the funds and provide flexibility for future conditions which may impact the donor’s intent for the funds.

## **Gift Valuation Guidelines**

### **Establishing the Date of the Gift**

Generally, the date of any contribution will be defined as the date on which the donor irrevocably relinquishes control of the property to the Church. Where the donor is deceased, the valuation date is the day prior to death. The Estate Trustee Information letter must be retained.

If the date of the gift cannot be determined, the following guidelines will be used:

- *Personal Property*: Gifts of tangible personal property, no matter how delivered, are deemed to be accepted by the Church when title is transferred to the Church.
- *Credit and Debit cards*: Credit and debit card gifts are deemed to be accepted on the day the church’s account is credited, providing funds have sufficiently cleared the banking system.
- *Real Estate*: A gift of real estate is accepted when the Deed is registered in the name of the Church.
- *Gift of Securities*, based on one of these two delivery methods:
  - 1) Electronically Transferred – The date the shares are received in the Church’s brokerage account from the donor’s broker. The copy of the brokerage activity sheet must be retained.
  - 2) Hand delivered – The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms (see Appendix II) are received at the Church office. The stamped date with this notation must be retained.

### **Establishing the Value of the Gift**

The Church must be able to determine the FMV of any non-cash gifts. Should the Church not be able to reasonably determine the FMV of a gift, the donor’s acknowledgement will state a value of zero (\$0). If the FMV of an item can be easily determined (cash register receipt for new purchase), a third-party appraisal may not be required. The FMV of a gift-in-kind does not include taxes paid on purchasing the item.

Exceptions may be referred to the Board; however, the Church will be guided by the following:

- *Donations valued at less than \$1,000* – a person with sufficient knowledge may establish FMV, documenting the basis used for the estimate and any other pertinent information.
- *Donations valued at \$1,000 and over* – FMV will be based on an independent appraisal completed by a qualified third party.
- *FMV* – Gifts of property are subject to a deemed FMV rule, which applies to any property donated within three years of acquisition or acquired through a gifting arrangement. The deemed FMV is the lesser of the actual FMV or the donor’s cost to acquire the property, or in the case of capital property, the adjusted cost base, with the following exceptions,
  - gifts made as a consequence of a donor’s death
  - inventory
  - real property situated in Canada
  - certified cultural property
  - gifts of publicly traded securities
  - ecological gifts.
- *Gifts of Securities* - FMV is based on the closing price of the units or shares recorded on the day the securities are received into a brokerage account established by the Church.

### **Conclusion**

The policies set out in this GAVP are intended to assist and provide guidance for employees at the Church involved in receiving and receipting gifts on behalf of the Church. All exceptions to this GAVP must be referred to the Board of the Church, especially those gifts that:

- might expose the Church to uncertain liability
- are precedent setting or may involve sensitive issues
- are perceived to come from illegal or unethical activities
- are from individuals or organizations whose philosophy and values could be considered inconsistent with the overall philosophy and values of the Church.

**APPENDIX I: GIFT-IN-KIND INFORMATION FORM**

**GIFT-IN-KIND INFORMATION SHEET**

**DONOR INFORMATION**

Name of Donor (Individual/ Organization): \_\_\_\_\_

Receipt Address: \_\_\_\_\_

Name of Contact (If different from above): \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Does the Donor own the item \_\_\_\_\_yes \_\_\_\_\_no

Has the Donor owned the item for 3 years or more? \_\_\_\_\_yes \_\_\_\_\_no

If no, what was the cost of the item to the donor? \_\_\_\_\_

Description of Gift-in-Kind:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fair Market Value (FMV) of the gift (excluding GST/PST) \_\_\_\_\_

Is a charitable income tax receipt requested? \_\_\_\_\_yes \_\_\_\_\_no

**DONOR DECLARATION:**

I (the undersigned) hereby make this gift-in-kind of my free will and without receiving any consideration or benefit except as noted as the "advantage" (if applicable) on the charitable income tax receipt, for the assessed FMV, if it is determined that this gift meets all the Church and federal and provincial laws and regulations.

\_\_\_\_\_  
Signature of Donor/Organization

\_\_\_\_\_  
Date

**FOR CHURCH USE ONLY:**

*Gift-in-kind Valuation Date:* \_\_\_\_\_

*Is Legal Title Transfer Required?:* \_\_\_\_\_

*If yes, method for Title Transfer:* \_\_\_\_\_

*Special Terms or Conditions:* \_\_\_\_\_

*Gifts valued at \$1,000 or less: Value \$* \_\_\_\_\_

*Method of appraisal:* \_\_\_\_\_

*Gifts valued at \$1,000 or more: Value \$* \_\_\_\_\_

1.      *Qualified      Independent      Appraiser      (name,      title,      valuation      attached)*  
\_\_\_\_\_

2.      *Qualified      Independent      Appraiser      (name,      title,      valuation      attached)*  
\_\_\_\_\_

*Leadership Team Comments, if applicable:*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Donation acceptance approved by:*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date