

**Gift Acceptance Policy**

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| **Recommended by:** | F&O Chair and ED | **Date issued:** | February 4, 2016 |
| Effective date: | Immediate | Last revised: | January 12, 2016 |
| **Replaces:** | No previous policy | **Approved by the F&O Committee** | January 21, 2016 |
| **Next Review Date:** | January 2020 | **Approved by the Board of Directors** | February 3, 2016 |

**Policy Sections**

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# 1.     Purpose & Scope

Board approval of a Gift Acceptance Policy is considered as a best practice for registered charities. This policy applies not just to gifts but to all revenue, since charities complete a financial return to the Canada Revenue Agency (CRA) covering gifts, government revenue and earned income.

This policy has been established to ensure:

* Informed decisions are made on the acceptance of all funds.
* All requirements pursuant to the CRA and other legislated requirements are met.
* Efficient administrative, legal and accounting practices are followed.
* Accurate reporting of revenue is provided.
* Consistent application of policies and procedures is practiced.

# 2.    Rationale

Oak Ridges Moraine Land Trust (ORMLT) is a registered, charitable organization regulated by the CRA. Being supported by private donors, governments, corporations, non-profits, and charitable foundations, ORMLT survives and thrives on its credibility, so must not risk jeopardizing its reputation, including honesty, integrity, and professionalism. A diverse array of funding sources meeting the criteria of this policy helps ORMLT operate effectively and sustainably, while maintaining a sound reputation for fiscal responsibility. Internal accounting control is a series of policies and procedures designed to promote and protect sound management practices, both general and financial.  Following internal control procedures will significantly increase the likelihood that financial information is reliable, so that Employees and the Board can depend on accurate information to:

* Ensure accuracy, timeliness, and reliability in accounting data;
* Make ORMLT financial and program decisions with due diligence;
* Ensure that assets and records of the organization are not lost , stolen, misused, or accidentally destroyed; and
* Ensure that ORMLT approved policies and procedures are followed and that all government regulations are met.

# 3.    Definitions

**1. Gifts**

Voluntary transfers of property without valuable consideration to the donor. A gift may or may not qualify for a charitable tax receipt. Examples of gifts include grants from foundations and other charities, corporate donations, corporate sponsorships, in-kind donations, bequests, life insurance or securities donations, and private donations.

**2. Government Revenue**

Contributions, including contract income, received from a government agency, whether federal, provincial, territorial, regional or municipal.

**3. Earned Income**

The direct exchange of a product or service for monetary value. Examples would include ticket sales, and property rentals/leases.

See Appendix 1 for a list of revenue categories familiar to ORMLT: cash, securities and investments, in-kind donations, planned gifts, and contract-based earned income.

# 4.    Key Principles

ORMLT strives to obtain funding from sources that share our values and support our mission.

# The fundamental questions for accepting any offer of revenue must always be:

# 1. Will the revenue aid ORMLT goals for conservation of lands and nature?

# 2. Will the revenue aid in the development of ORMLT as an organization?

# 5. Guidance

In interpreting these questions of principle, the following criteria offer guidance.

Revenue accepted by ORMLT should not:

* cause significant damage to ORMLT’s integrity, public image or professional reputation;
* be for purposes outside ORMLT’s objects and mission or CRA regulations;
* be so large for a more peripheral or low priority that it distorts the balance needed by ORMLT to achieve its current priorities;
* come from sectors typically off-limits for most charities, namely the armaments sector, tobacco products sector, and alcohol products sector (if related to youth programming);
* conflict with ORMLT policies and operating procedures (e.g., personnel policy; health and safety; data use, etc);
* impose an undue financial obligation on ORMLT (e.g., by being too restrictive or expensive to administer), which may outweigh the benefit of the contribution;
* impair ORMLT’s independence to pursue its objects and mission.

# 6. Gift Acceptance

# Review will be handled by the Executive Director (ED) and Board Chair on a consensus basis. The review will be as required, including in person or by phone, to examine prospective donations for which there is a question regarding acceptability.

# 7. Professional Counsel

**1. For Donors**

In the case of planned gifts, or those of a complicated nature such as real estate transactions, ORMLT staff will encourage donors to discuss their intentions with an independent financial planner, legal advisor and/or tax advisor of the donor’s choice and at the donor’s expense. This is to ensure that the donor receives a full and accurate explanation of all implications.

**2. For ORMLT**

The organization will obtain legal and professional advice as required.

# 8. Restricted Contributions

A “restricted” gift or contribution is allocated for an explicit purpose consistent with ORMLT’s programs and projects. The following guidelines apply to these restricted contributions:

1. ORMLT plans to grow restricted and unrestricted donations. Restricted funding offers ORMLT great opportunity to help donors strongly connect their philanthropic interests to fund land securement, stewardship or outreach projects.
2. If ORMLT were unable to spend the full amount of a restricted contribution on the basis initially agreed to, the funder will be alerted. By mutual agreement, the remaining portion may be re-designated to a different activity in the same project or to another project, or if requested by the donor, returned.
3. In situations where ORMLT has been unable to contact a known funder after repeated attempts, or when the funder has died and ORMLT has been unable to engage the executors of the estate, ORMLT will proceed to reallocate the fund, as deemed appropriate, but whenever possible, to a related activity for which the gift was made.
4. ORMLT will not accept contributions that are deemed too restrictive in purpose. This includes restricted contributions that would be too difficult or expensive to administer, or would cause an unworkable imbalance to a project or program.

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# 9. Gifts to Endowment

A donor interested in providing sustained funds to ORMLT may wish to donate through an endowment gift, whereby the capital of the gift is maintained in perpetuity and the income made available for operations or to fund a specific project or program, as directed by the donor. Donors may contribute to ORMLT’s existing Land Forever Fund or may propose new, named funds, which may be accepted by ORMLT, after consultation with the Executive Director.

# 10. Policy Review

The Gift Acceptance Policy is reviewed every 5 years by the Fundraising and Outreach Committee and as may be required to comply with new policies and charity laws. If changes are proposed, they will be brought forward for review with the ED and then to the Board of Directors for approval.

**APPENDIX 1 – Types of Revenue**

The following are considerations for typical revenue types received by ORMLT and familiar to charities generally. They can be sorted into the more general CRA categories noted above.

**1. Cash**

Contributions of cash are the majority of ORMLT’s revenue, coming in the form of bills, coins, cheques, money orders, automatic debit, and credit card payments and securities that are readily marketable and to which no conditions are attached will be accepted.

**2. Securities and Investments**

Gifts of marketable securities and other investments will be valued at the close-of-business on the date of receipt, for the purposes of issuing a charitable receipt at fair-market value. The gift will be sold immediately upon receipt in order to be converted to cash.

**3. In-kind Donations**

ORMLT will entertain accepting the following types of in-kind gifts:

* Gifts of products or services that address our conservation priorities or immediate organizational needs
* Gifts of real estate – An outright gift of real estate will be accepted, subject to the review and approval of the ED and Board Chair. The property could be sold at market value for conversion to a gift of funds for conservation, or kept and maintained by ORMLT as conservation lands.
* Other in-kind gifts subject to the review and approval of the ORMLT Gift Acceptance Review Committee.
* Valuation of in-kind gifts will be made in accordance with the requirements of the Canadian Revenue Agency and generally-accepted accounting practices for non-profits in Canada.

**4. Planned Gifts**

Planned gifts are referred to as such because they require more planning and professional counsel (legal and/or financial) than most other contributions. Planned gifts can result in immediate or future income to a charity, or serve to delay a gift for life or other period of time while the donor or others retain income and/or access to the assets used to fund the gift.

The types of planned gifts accepted by ORMLT are:

* Gifts of securities (see above)
* Charitable bequests
* Life insurance
* Charitable remainder trusts
* Charitable gift annuities

**Related Policies**

Donor Bill of Rights

Sponsorship Policy

**Other References**

Association of Fundraising Professionals’ (www.afpnet.org)

Donor Bill of Rights and Code of Ethical Principles

Imagine Canada’s (www.imaginecanada.ca)

Fundraising Code of Conduct.