



vancouver
foundation

Fundraising Policy

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Preamble

As a registered charity, Vancouver Foundation accepts donations from individuals, organizations, associations, foundations and corporations that support its mission of harnessing the gifts of energy, ideas, time and money to make meaningful and lasting impacts in communities in BC. The Foundation has a number of policies under the broad category of “philanthropy” that have been developed in order to: protect donor interests; manage donor relations; facilitate gift solicitation and management; ensure legal compliance and address any risk issues; and enhance effective operational management.

If a potential donor identifies that she/he resides in a community which is served by another member of Community Foundations of Canada, Vancouver Foundation staff will ensure the donor is aware of the local Community Foundation and encourage him/her to review the services of the local Community Foundation prior to establishing a new endowment fund at Vancouver Foundation

1.0 Ethics & Code of Conduct

Vancouver Foundation will conduct itself in accordance with its Donor Bill of Rights (attached as **Appendix A**).

Staff will act at all times to promote the integrity and advance the quality of the fundraising profession, and will comply with professional codes of conduct, as appropriate, including those defined by the Canadian Association of Gift Planners, the Association of Fundraising Professionals, Certified Fund Raising Executive (CFRE) International, the Law Society of British Columbia and the Chartered Professional Accountants of Canada.

2.0 Gift Acceptance

2.1 Definition of a Gift¹

A gift is a voluntary transfer of property without consideration. The Canada Revenue Agency generally considers a gift to be made if all three of the conditions listed below are satisfied:

- a) Property is transferred by a donor to a registered charity;
- b) The transfer is voluntary; and

¹ CRA Interpretation Bulletin IT-110R3 – www.cra-arc.gc.ca/E/pub/tp/it110r3/README.html



- c) 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. Where a charity offers an item, privilege or other benefit in return for a donation, the benefit is considered to have a nominal value where its fair market value does not exceed the lesser of:
- (i) \$50.00, or
 - (ii) 10% of the amount of the gift.

2.2 Gift Types

Gifts are accepted by Vancouver Foundation that are outright or deferred for the future. In determining whether or not a gift may be accepted, the following factors will be considered:

- protection of donor interests;
- cost effectiveness; and
- minimization of Vancouver Foundation's risk of liability.

A non-exhaustive list of gift types, including relevant points for consideration, is set out in **Appendix B**.

2.3 Authorization

Vancouver Foundation has legal counsel approved gift agreement templates that are generally used for most gifts. If a gift requires a specific agreement for which a template is not appropriate, Vancouver Foundation shall seek advice from its legal counsel to ensure all aspects are addressed.

A Gift Acceptance Committee, comprised of Donor Services and Finance staff representatives, shall provide guidance on complex gifts. The following gifts must be approved by the Gift Acceptance Committee before being accepted:

- outright gifts of real estate;
- complex gifts of securities;
- gifts in kind;
- residual interest gifts; and
- charitable remainder trusts.

The Gift Acceptance Committee is also responsible for review and approval of all current or deferred gifts to which a special purpose and/or restriction is attached. Gifts of this nature require special consideration, as Vancouver Foundation must satisfy itself as a fiduciary that it can fulfill the donor's wishes over the long term, and that it has the administrative resources necessary to carry out the charitable purpose. In all cases, donors will be encouraged to provide Vancouver Foundation with a reasonable measure of discretion, so that Vancouver Foundation can respond to evolving community needs while ensuring that the donor's overall charitable intent can be fulfilled.



If a gift with a special purpose or restriction is accepted, it will be closely monitored by Vancouver Foundation's Special Purpose Advisory Team comprised of Donor Services, Grants & Community Initiatives and Finance staff to ensure that the donor's intent is fulfilled.

2.4 Gift Refusal

Vancouver Foundation's reputation for integrity, social responsibility and accountability is one of its greatest assets. When a proposed gift appears to be contrary to Vancouver Foundation's best interests, the Gift Acceptance Committee may make suggestions to the donor about revisions to the gift terms, or may choose to decline the gift.

Reasons for gift refusal may include the following:

- The gift is contrary to Vancouver Foundation's mission.
- The gift does not appear to be a free and voluntary act of the donor.
- There is no discernible philanthropic intent.
- The donor wishes to exert unacceptable restrictions, conditions or controls over the use of the gift, which would cause an unreasonable administrative burden on Vancouver Foundation, and/or may result in difficulty for Vancouver Foundation to honour the donor's wishes.
- The conditions of the gift are seeking to benefit too narrowly defined potential class of beneficiaries.
- A liability is attached to the gift, which would create an undesired financial burden for Vancouver Foundation.
- There are physical or environmental hazards associated with the gift.
- The gift in any way violates federal, provincial or municipal laws and regulations.
- There are negative cost-of-ownership implications related to administration, management or marketability of the gift.
- The nature of the gift may prevent realization for conversion to cash.
- Vancouver Foundation would be unable to assign a value to the gift for donation tax receipting purposes, or a valuation dispute with CRA is likely to arise.



- A satisfactory agreement cannot be reached with the donor, with respect to the absorption of evaluation, maintenance and disposition costs. In general, such costs associated with the settlement of the gift are the responsibility of the donor.
- The Board of Directors has established a maximum percentage of Vancouver Foundation's total assets permitted in Transferable Funds. A gift to a Transferable Fund may be declined if it would result in exceeding this maximum percentage.

3.0 Independent Advice

Vancouver Foundation may inform donors about charitable giving, but will never under any circumstance pressure or unduly persuade.

Vancouver Foundation will encourage donors to discuss proposed gifts with an independent legal, tax or financial advisor of the donor's choice, to ensure that the donor has received a full and accurate explanation of all aspects concerning the proposed gift, and that the gift is consistent with the donor's objectives.

If a donor asks for a referral to an independent advisor, Vancouver Foundation will not make a direct referral, but may provide the donor with at least two possible choices.

4.0 Naming & Recognition

Establishing a named fund at Vancouver Foundation requires an initial \$10,000 donation (or a \$1,000 donation for individuals to establish a Legacy or Start-up Fund).

If a fund is to be established through an estate or deferred gift, the fund's name will reflect the deceased donor's name, unless of course the donor has indicated wishes for anonymity or an alternate fund name.

Where appropriate, and with the consent of the donor, additional recognition will be offered, including but not limited to press releases, editorial features, website stories and magazine profiles. Vancouver Foundation's magazine highlights the people and organizations that are making a difference in communities across British Columbia.

5.0 Receipting

Vancouver Foundation will issue official charitable tax receipts to donors for eligible gifts that are received and not merely pledged.



The eligibility and valuation of the gift for receipting, and the form and content for receipts issued, shall comply with the requirements of the Income Tax Act.

If the donation is delivered by an agent (i.e. an individual, corporation or agency), on behalf of other donors, Vancouver Foundation may issue tax receipts to the donors, so long as the agent provides a declaration stating the name, donation amount and address for each of the true donors.²

6.0 Privacy

Vancouver Foundation may set out on its website and print publications the names of all funds created and the names of all donors who have provided a gift. Vancouver Foundation shall seek each donor's consent for this public disclosure. For Estate gifts (or other gifts received from a deceased donor), Vancouver Foundation will seek consent from the Executor and/or family members as appropriate.

Unless anonymity is specifically requested by a donor, any donations to a particular fund will be noted on the corresponding Fund Statement, with the donor's name and gift amount disclosed, and will be made available to the relevant Fund Advisor or Fund Holder.

If a donor does not wish to have information about his/her donation disclosed, he/she may make a request for anonymity. Further information can be found in Vancouver Foundation's Privacy Policy.

Policy Review

This policy is to be reviewed by the Board of Directors as required and not less than every two years.

² CRA policy CPC-010 - www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cpc/cpc-010-eng.html



APPENDIX A

Vancouver Foundation **DONOR BILL OF RIGHTS**

Our Commitment to You

Vancouver Foundation helps build more vibrant and resilient communities in BC. We do this by harnessing the gifts of energy, ideas, time, and money from caring citizens to make meaningful and lasting impacts. With more than 1,600 funds, and assets of over \$1 billion, we are Canada's largest community foundation. We have been investing in communities since 1943. Since that time, in partnership with our donors, Vancouver Foundation has distributed more than \$1 billion to innovative projects and programs throughout the province.

Maintaining your trust and confidence through transparent financial and fundraising best practices has always been one of our utmost priorities.

Vancouver Foundation is one of the first organizations to participate in and complete the Standards Program launched by Imagine Canada in 2011 that provides accreditation through a third-party peer review process.

Our participation in this Standards Program complements our history of good governance and will help us to continue to provide the highest degree of accountability and transparency to our donors at all times.

www.imaginecanada.ca/about-standards-program

Donor Rights & Information

To ensure that donors and potential donors have full confidence in Vancouver Foundation, and in respect of the organizations that we support together, the Foundation declares that all donors have the following rights:

- To be informed of our mission, of the way we intend to use donated resources, and of our capacity to use donations effectively for intended purposes.
- To be informed of the identity of those serving on our governing board, and to expect that they act with the greatest transparency, integrity and discernment in implementing the Foundation's mission and purpose for the best interests of the community.
- To be assured their gifts will be used for the purpose for which they are given and the right to know how donations, directly or indirectly contributed to Vancouver Foundation are distributed.



- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.
- To receive appropriate acknowledgement and recognition and to have all requests for anonymity honoured.
- To be assured that information about their donations is private and will be handled with respect and confidentiality to the extent provided by law.
- To seek independent professional advice prior to making a gift, particularly if the gift is a Planned Gift.
- To expect that all relationships with individuals representing our Foundation will be professional in nature.
- To be informed whether those seeking donations for Vancouver Foundation are volunteers, employees or hired solicitors.
- To inform the Foundation that they would like to:
 - limit the frequency of solicitations;
 - not be solicited by telephone or other technology;
 - receive printed material concerning the organization; and
 - discontinue solicitations where it is indicated they are unwanted.
- To expect that Vancouver Foundation will not share or sell a mailing list that includes the donor's name.
- To have access to our most recent financial statements.

Additional Information

Vancouver Foundation does not:

- Make claims that cannot be upheld or are misleading.
- Exploit its beneficiaries. Vancouver Foundation is sensitive in describing those it serves and fairly represents their needs and how these needs will be addressed.
- Directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.

Request the Foundation's Financial Statements

Vancouver Foundation is accountable to our donors and the community we serve and we would be pleased to provide you with our financial statements. You can access them on our website at www.vancouverfoundation.ca or feel free to contact us at 604-688-2204, or info@vanouverfoundation.ca to request a copy.



APPENDIX B

GIFT TYPES

The following is a non-exhaustive list of gift types that may be considered by Vancouver Foundation as an eligible donation:

(1) Cheque, Money Order, Bank Draft, Credit Card

These types of gifts will be accepted, whether received in person, by transfer, mail or online. Due to security issues, cash is no longer accepted.

(2) GIFTS OF PUBLICLY TRADED SECURITIES

Gifts of publicly traded securities can be a cost-effective way for donors to give to charity, as a capital gains exemption may be applicable if the securities are transferred in-kind (not the cash proceeds). Donors are encouraged to review matters with their professional advisors to confirm whether a tax exemption would apply.

It is Vancouver Foundation's general intent to immediately sell securities that it receives as a gift.

A tax receipt will be issued to the donor for the value of the securities, which is determined using the last quoted trading price in normal trading hours on the day that the securities are received in Vancouver Foundation's brokerage account.

(3) GIFTS OF NON-PUBLICLY TRADED SECURITIES

Gifts of non-publicly traded or thinly traded securities will be submitted to the Finance and Audit Committee to determine acceptance and to review valuation.

(4) GIFTS IN WILLS

Gifts in Wills are strongly encouraged, and have historically been the most common type of deferred planned gift. Bequest gifts have contributed significantly to building Vancouver Foundation and providing donors with lasting legacies.

Sample bequest language is available to donors upon request, for presentation to their lawyers or notaries.

Donors are strongly encouraged to discuss their wishes for charitable giving through their Estate with family members.



Donors are encouraged to discuss their intentions for a gift by Will with Vancouver Foundation, including sharing a copy of the relevant section in their Will, so that Vancouver Foundation can provide assurance that the bequest can be accepted and the donor's intentions fulfilled. We encourage donors to consider pre-establishing their Estate gift through Vancouver Foundation's Legacy Fund option. As a general rule, Vancouver Foundation does not act as the Executor or Personal Representative for a donor's Estate, except in exceptional circumstances and as approved by the Gift Acceptance Committee.

(5) GIFTS OF REGISTERED PLAN ASSETS

Vancouver Foundation can be named as the beneficiary for any of the following:

- Registered Retirement Savings Plans (RRSP)
- Registered Retirement Income Funds (RRIF)
- Tax Free Savings Account (TFSA)

When the proceeds of the gift are received, a tax receipt will be issued to the donor's Estate.

(6) LIFE INSURANCE³

There are two methods by which a life insurance policy may be donated to Vancouver Foundation.

(a) Make Vancouver Foundation the Owner & Beneficiary of a Policy (Irrevocable)

- When ownership of an existing or new policy is transferred irrevocably, the donor is entitled to a gift receipt for the net cash surrender value, if there is any such balance on the policy.
- If the policy is not yet fully paid-up, the donor will receive a charitable tax receipt from Vancouver Foundation for annual premiums that are subsequently paid.
- Upon the donor's death, Vancouver Foundation will receive the death benefit proceeds from the life insurance company.

³ CRA Interpretation Bulletin IT-244R3 - www.cra-arc.gc.ca/E/pub/tp/it244r3/it244r3-e.html



(b) Make Vancouver Foundation the Beneficiary of a Policy (Revocable)

- Tax receipts are not issued during the donor's lifetime, as the beneficiary designation may be revoked by the donor, and a gift to Vancouver Foundation does not occur until the donor passes away and the death benefit proceeds of the policy are realized.
 - Upon the donor's death, Vancouver Foundation will receive the death benefit proceeds from the life insurance company, and a charitable tax receipt will be issued to the donor's Estate.
- **Guidelines:**

Letter of Wishes: Vancouver Foundation will work with the donor to create a Letter of Wishes, setting out their charitable intent for how the life insurance death benefit proceeds are to be applied towards a charitable purpose.

Type of Policy: For transfers of ownership, Vancouver Foundation's preference is to accept policies that have significant cash surrender value, or have been fully paid up. Cash surrender value is an asset, which Vancouver Foundation can choose to receive or use to pay premiums if the donor ceases payment.

Premium Payment: Vancouver Foundation's preference is for the donor to make premium payments directly to the life insurance company. A tax receipt will be issued upon confirmation of payment by the life insurance company. However, if requested, Vancouver Foundation may make the premium payment that is allocated from an equivalent donation from the donor.

Unpaid Premiums: If the donor ceases or reduces premium payments and there is insufficient cash value to keep the policy in force for the projected lifetime of the life insured, Vancouver Foundation may choose to take any of the following courses of action:

- If the policy is intended for the benefit of a specific charity or charities, ask the specific charity or charities to assume premium payments.
- Continue to pay the premiums, in which case the death benefit may be directed towards Vancouver Foundation's general charitable purposes.
- Cash out or cancel the policy, in which case any proceeds may be directed towards Vancouver Foundation's general charitable purposes.

(7) REAL ESTATE

The following guidelines are applicable for gifts of real estate:



Vancouver Foundation shall secure a qualified appraisal of the property. The appraiser may take into consideration any appraisal secured by the donor, and may confirm that appraisal, but Vancouver Foundation shall ultimately rely on its independent appraisal.

Vancouver Foundation shall determine if the donor has clear title to the property. Vancouver Foundation shall review other factors, including zoning restrictions, marketability, current use and cash flow, to ascertain that acceptance of the gift is in the best interests of Vancouver Foundation.

A gift receipt will be issued for the appraised value, less any advantage received by the donor as a result of the gift.

Vancouver Foundation shall ordinarily conduct an environmental assessment, which may include an environmental audit, and accept the property only if (a) it contains no harmful or toxic substances, or (b) they are removed or other remedies taken assuring that the Charity assumes no liability or limits its liability to an acceptable level.

It is Vancouver Foundation's general intent to immediately sell real estate that it receives as a gift.

(8) GIFT ANNUITIES⁴

Vancouver Foundation does not offer annuity products.

(9) GIFT OF RESIDUAL INTEREST⁵

A residual interest gift refers to an arrangement under which property, such as real estate or art work, is irrevocably transferred to Vancouver Foundation, but the donor retains use of the property for life or a term of years.

Real estate contributed under such an arrangement will be subject to a thorough review, as described in the aforementioned guidelines for real estate. The donor will continue to be responsible for real estate taxes, insurance, utilities and any maintenance costs for the property after transferring title of the property to Vancouver Foundation. Vancouver Foundation shall have the right to inspect the property and review the insurance coverage from time to time, to assure that the interest is properly safeguarded. The donor shall be responsible for any liabilities that arise concerning the use of the property.

⁴ CRA Summary Policy CSP-A06 - www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/csp/csp-a06-eng.html

⁵ CRA Interpretation Bulletin IT-226R - www.cra-arc.gc.ca/E/pub/tp/it226r/it226r-e.txt;



A gift receipt will be issued for the present value of the residual interest computed on the appraised value.

Vancouver Foundation shall not serve as Trustee for a residual interest gift.

(10) CHARITABLE REMAINDER TRUSTS⁶

A charitable remainder trust is a form of a residual interest gift. The donor transfers property to a trustee who holds and manages it. If the property is income-producing, the income will be paid to the donor and/or other named beneficiary. When the trust terminates (either at the death of the beneficiaries or after a term of years), the trust remainder is transferred and distributed to Vancouver Foundation.

If the trust is irrevocable and meets all criteria required by the Canada Revenue Agency for charitable remainder trusts, a tax receipt will be issued to the donor for the present value of the residual interest.

Vancouver Foundation will not serve as Trustee for a charitable remainder trust.

(11) GIFTS IN KIND⁷

Gifts in kind are non-cash gifts involving a voluntary transfer of property, which normally require valuation to determine fair market value for gift receipt purposes.

Services are not considered gifts in kind because they do not involve a transfer of property.

Before a gift in kind is accepted, an assessment will be made as to whether the gift can be liquidated for cash proceeds, or if the gift can further Vancouver Foundation's mission in some other way. If the gift is unusable or unmarketable, the gift will not be accepted.

It is Vancouver Foundation's general intent to immediately sell in kind gifts that it receives.

The receipt value for gifts in kind will be determined as follows:

⁶ CRA Summary Policy CSP-C02 - www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/csp/csp-c02-eng.html; CRA Interpretation Bulletin IT-226R - www.cra-arc.gc.ca/E/pub/tp/it226r/it226r-e.txt;

⁷ CRA P113 Gifts & Income Tax 2010 - www.cra-arc.gc.ca/E/pub/tg/p113/p113-e.html; CRA IT-297R2 Gifts in Kind to Charity and Others - www.cra-arc.gc.ca/E/pub/tp/it297r2/it297r2-e.html



- For gifts in kind valued at \$1,000 or more, a professional appraisal report is required on the fair market value of the property as of the donation date, which is the date that the gift is made. The individual who prepares the report must be a qualified, independent party, and knowledgeable about the market for the specific property.
- For gifts in kind valued at less than \$1,000, a professional appraisal may not be required, but the documentation supporting the determination of fair market value should be disclosed (i.e. original invoice of purchase).
- If the property is being donated within three years of its acquisition date, the gift receipt will be limited to the property's cost rather than the current fair market value. This deemed limitation is not applicable for gifts of publicly traded securities and gifts-in-kind that are donated through an Estate.



I have read and understand Vancouver Foundation's Fundraising Policy.

Name

Date

Signature