

# Fundraising Policies

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| <b>Fundraising Policies</b>                           |          |
| Board of Directors Original Motion Date: July 18 2013 | Revised: |
| Motion #238   |          |
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## Approval of Fundraising Activities

Decisions regarding fundraising activities and priorities are the responsibility of the Managing Director, within the parameters of the annual budget approval process and in consultation with the Resource & Development Committee.

GCSM adheres to the Donor Bill of Rights from the Association of Fundraising Professionals.

The Managing Director of GCSM must be a member in good standing of the Association of Fundraising Professionals and adhere to the AFP Code of Ethical Principles and Standards.

## Gift Acceptance Policy

This policy statement is to ensure that all gifts to, or for the use of Gilda's Club Simcoe Muskoka, (GCSM) are structured to provide maximum benefit to GCSM and the donor.

All gifts will be evaluated within the following principles:

- When accepting a gift GCSM also accept the responsibility to steward that gift. This includes administering the gift properly, providing the donor with accurate, timely information about the gift, and when appropriate, reporting to the donor about the use of the gift.
- Gifts are accepted for approved capital projects or for unrestricted, general purposes, or for designated budgeted activities. Gifts designated to projects not included in the approved budget for the relevant timeframe must be approved by the Board of Directors prior to being accepted.
- GCSM will not provide legal, accounting, tax or insurance advice to donors. Donors are responsible for ensuring any gift meets their own philanthropic, financial, and estate planning goals. GCSM will encourage each donor to consult with their own professional advisors before making significant gifts.
- GCSM reserves the right to refuse certain gifts including:
  - o Those which, to the best of GCSM's knowledge, would not be in the best interests of the donor.
  - o Those from which GCSM will receive little or no financial gain.
  - o Those that are not allowed by federal or provincial regulation, including the Ontario Human Rights Code.
  - o Those that are inconsistent with GCSM's vision, mission and values. Gifts associated with tobacco or tobacco products will not be accepted. Gifts associated with tanning beds will not be accepted.
  - o Those that are more beneficial to the donor than to GCSM.
- GCSM will acknowledge all gifts and donations in a manner that respects and honours the donor.

## General Policies

Overall responsibility for ensuring compliance with the Gift Acceptance Policy rests with the Managing Director.

GCSM will accept gifts of cash, securities, certain planned gifts including life insurance policies and annuities, and certain in-kind gifts.

GCSM will accept gifts of securities or mutual funds that are traded on any recognized stock exchange. Market value for receipting purposes is deemed to be the market price at the end of the business day the gift is transferred to GCSM.

In-kind gifts and services will be accepted only if they are required for operations or are appropriate within fundraising projects and events. In-kind gifts will be receipted in compliance with CRA guidelines. If an external evaluation of value is required the donor will bear the cost.

The fair market value of a gift in kind as of the date of the donation must be determined before an amount can be recorded on a receipt for tax purposes. If the fair market value of the gift in kind is less than \$1,000, documentation provided by the donor will be deemed to be sufficient. For items with a fair market value of more than \$1,000, the donor must provide an independent

assessment from a competent and qualified person or source. Charitable receipts will not be issued for gifts in kind that have a nominal or incidental value, such as used furniture or clothing, for example.

Although the term "fair market value" is not defined in the Income Tax Act, the generally accepted meaning is the price the property would bring in an open market transaction between a willing buyer and a willing seller, acting independently of each other, and each having full knowledge of the facts. An arm's length sale and purchase of the property, at or near the effective date of valuation, is usually considered the best evidence of value at the time, and will normally be used by the Income Tax Department as the value of the donation for purposes of the charitable tax receipt.

Gifts of real estate will be accepted only with approval from the Board of Directors. Prior to acceptance, an independent professional appraisal for all properties is required. Any costs associated with obtaining a certified appraisal shall be the responsibility of the donor. GCSM will accept these appraisals unless the Managing Director feels a second appraisal is warranted. In that case, GCSM will be responsible for all costs of the second appraisal. The average of the two independent appraisals will be considered to constitute the "fair market value" of the real estate, thus the value of the gift.

## Pledges

Pledges are commitments to give a specific dollar amount according to a fixed time schedule. All pledges must have recorded and attached to the donor record the following:

- The amount of the pledge
- A clearly defined payment schedule
- Acknowledgement and any naming opportunity.

Beyond the Red Door Society pledges are pledges for a minimum of \$1,000 per year for five years.

Monthly pledges are for an amount less than \$1,000 a year and have no specified end date although the donor can modify or cancel the amount or timing at any time.

### Pledge recording and acknowledgement

- BRDS pledges will be recognized when agreement is signed
- Monthly pledges will be recognized annually for total annual contribution
- Capital pledges will be acknowledged when agreement is signed and when the pledge is completed.
- In the event of the death of the donor, pledge balances will be written off when GCSM is notified, unless there are provisions in the donor's will or the family has indicated an intent to complete the pledge.
- The decision to deactivate or write-off a pledge rests with the Managing Director.
- The acknowledgement and any naming opportunity associated with the pledge shall be removed if for any reason the pledge is not completed within the agreed upon payment schedule.

## Planned gifts

GCSM encourages donors to disclose their bequest intentions in writing to ensure that the organization is able to carry out their wishes and that the gifts conform to the principles stated in these policies.

If there is a gift from the estate of a deceased donor that GCSM does not have prior knowledge of where the gift does not meet the principles of the organization's gift acceptance policies, that decision will be communicated to the estate's executor. Attempts will be made to achieve a mutually acceptable gift agreement between both parties.

GCSM will make available sample language for bequests however GCSM will not give legal or estate planning advice.

GCSM will issue charitable tax receipts for planned gifts as required and allowed by Canada Revenue Agency.

In addition to bequests, GCSM accepts the following planned gifts:

- Charitable annuities
- Charitable remainder trusts
- Charitable lead trusts
- Gifts of Life Insurance

GCSM will accept gifts of life insurance when the donor makes an absolute assignment of the death benefits of the policy to the organization.

If the donor transfers the ownership of the policy to GCSM, the amount of the charitable donation is equal to the value of the policy (i.e. the amount by which the cash surrender value of the policy at the time of the absolute assignment exceeds any policy loan outstanding) and any accumulated dividends and interest thereon which are also assigned at that time. If the policy does not have any value, then a charitable donation receipt is not issued when the policy is transferred. However, subsequent premium payments will be creditable for income tax purposes.

When a life insurance policy is absolutely assigned to GCSM, any consents that are required by provincial regulations to be signed to change a beneficiary must be signed before the transfer represents a valid charitable donation.

If the policy is not paid in full at the time of assignment to GCSM, the donor may donate an amount to GCSM to enable GCSM to pay future premiums. If each premium on the policy is paid directly to the insurance company at the request of, or with the concurrence of, GCSM, there is constructive payment of a donation to the GCSM and therefore a charitable donation. The increase in cash

surrender value of the policy is not relevant in determining the amount of any charitable donation for tax receipting purposes.

Furthermore, a donor can make a lump sum cash contribution to GCSM and specify that it be used to pay all premiums on a life insurance policy; this lump sum contribution is still a charitable donation.

Alternatively, donor may retain ownership of the policy and name GCSM a beneficiary. A charitable receipt will be issued when benefits are realized and the tax receipt will be issued to the donor's estate. In this case full proceeds are paid at once, directly to GCSM without delay of probate, and without reduction in amount due to taxes, legal fees or administration charges.

- Life estate gifts

In the event a donor is giving a retained life estate gift, the donor shall pay all or a part of the property's maintenance costs, real estate taxes and insurance for the duration of their life and acknowledge that in writing prior to GCSM's acceptance of the gift. Conditions related to gifts of real estate apply to life estate gifts.

## Fundraising Special Events

Special events not only raise funds they also reflect on the image and reputation of GCSM. The organization may choose to manage special events with the purpose of raising funds for GCSM. These are internally managed events.

From time to time others in the community may choose to hold events to raise funds for GCSM as well. These are known as externally managed events. GCSM may not be aware of these events until after the fact.

### Internally Managed Events

Fundraising events created and managed by GCSM for which official receipts will be issued must be approved by the Managing Director within the parameters of the annual budget and GCSM policies.

Tax receipts for donations to special events and some portion of a ticket price, if applicable, will be issued in compliance with Canada Revenue Agency requirements and guidelines.

Tax receipts will not be issued for sponsorship payments as they are not gifts within the meaning of the Income Tax Act.

## Externally Managed Events

An externally managed event is a fundraising event created and managed by an individual or group that is not otherwise associated with Gilda's Club Simcoe Muskoka.

Where GCSM knows about the group and/or event in advance, GCSM will make every effort to:

- Document the event with the appropriate event agreement
- Assist with publicizing the event on the GCSM website, facebook page, twitter account, Gildagram emails, etc.
- Provide signage if appropriate
- Provide a speaker for the event if appropriate
- Process any donations related to the event and allocate the revenue to the event for recognition purposes
- Recognize and thank the event organizers

GCSM will not:

- Solicit donations or services for externally managed events
- Apply for a raffle license, special occasions permit, or any other license or permit required for the event
- Accept liability for any expenses or pay any invoices related to the event

## Issuance of Official Receipts

Gilda's Club Simcoe Muskoka has been issued a Charitable Registration Number by the government of Canada which permits GCSM to act as a not-for-profit charitable organization. The ability to receive gifts and issue receipts is governed by the Canada Revenue Agency, federal and provincial statutes, and GCSM policy. A gift, for purposes of the Income Tax Act, is a voluntary "transfer of property" for which the donor expects and receives nothing of value in return.

GCSM will issue an official receipt for donations that qualify as a charitable gift.

A gift will not qualify for a charitable tax receipt if the donor receives a direct benefit from the gift. This includes gifts made as sponsorships of special events. GCSM will issue a thank you letter stating the agreed upon value of the sponsorship.

All donors, sponsors and other supporters will normally be sent a gift acknowledgement within seven calendar days of accepting the gift.

Charitable receipts will normally be dated as of the day the cheques are deposited by GCSM. Cheques which are received between January 1 and January 15 qualify for a charitable tax receipt which is back-dated to December of the year before if:

1. the postmark on the outer envelope is December 31st of the prior year or earlier, and
2. the cheque is dated December 31st of the prior year or earlier.

Thank you letters, official receipts and value letters for sponsors will be issued in compliance with CRA regulations and guideline.

## Donor Records

GCSM maintains a list of prospective donors, donors, past donors, ticket buyers, sponsors and volunteers for the purposes of raising funds and building awareness.

GCSM manages this list in compliance with any relevant privacy legislation and adheres to the AFP Donor Bill of Rights.

GCSM does not rent, sell or share this database.

Upon request from any individual GCSM will:

- Disclose all information collected about that individual to them in writing.
- Cease all communication, or communicate only as directed (i.e. email, letter, phone).
- Record their donation as from 'anonymous.'
- To the extent allowed by CRA, delete any and all information from the individual's record.

## Gilda's Club Members and Fundraising

GCSM policy regarding GCSM Members and fundraising is based on the Cancer Support Community Policy Statement Regarding the Solicitation of Participants National Program Manual Policy Statement Final 9.08

During the Customized Membership Plan meeting, the financial structure and the need for ongoing and active fundraising will be explained. Members are asked if they agree to receive fundraising materials and information.

If new member says yes in the CMP, they will be added to the donor database with the source code 'member' and date (for statistical purposes only); from then on these individuals fall within fundraising decisions.

Any member who makes a donation, even if they did not agree to receive fundraising during their CMP, will be deemed to have changed their mind and will be added to the donor database. In these cases source code 'member' is not applicable. Source code in these cases is the fundraising activity that generated the first donation.

Any member that speaks at a fundraising event or provides written material for the communication or fundraising materials, will be added to the donor database as well.

For Gilda's Club Simcoe Muskoka members in general:

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| <b>According to this policy statement. CSC will allow for the request of financial and in-kind contributions from all participant members in the following manner:</b>             | <b>Gilda's Club Simcoe Muskoka policy to align with CSC Policy Statement</b>   |
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| Sending them a newsletter (not a calendar) with a gift envelope included   | Member email blast to include invitation to join FB page and visit website the week the Gildagram goes out<br>Possible Annual Report mailing once a year   |
| Providing/mailling invitations to special events and other activities  | Member email blast to include invitation to join FB page and visit website the week the invitations go out   |
| Noting upcoming fundraising special events on the calendar   | Notice in program calendar to join facebook, twitter for updates and information.  |
| Sending direct mail appeal letters to all members.   | Not planned.   |
| Providing written information to new members on how GC is funded   | This is provided verbally.   |
| Distribution and tasteful display in public areas of how GC is funded, visible gift envelopes, tribute/memorial envelopes and plaques, planned giving and other campaign materials | Fundraising notice board with event information will continue<br>Sponsorship of program events onsite will be recognized (Iron Chef, NoogieFest, Summer Camp, Holiday Dinner, etc.) onsite and in the calendar text.<br>Naming opportunities onsite will continue<br>Program-related sponsorships will be noted in text portion of print calendar (eg Avon Foundation supports workshops, lectures and seminars). Online calendar will have more information (pending redesign). |