

Gift Acceptance Policy			
Date Created	Sept 2023	Date Reviewed	
Date Approved	Sept 18, 2023	Scheduled for Review	Sept 2025
Approved by	Executive Director and Board of Directors		

Purpose

Chebucto Connections will consider any gift that is legally permissible by Canada Revenue Agency (CRA) with acceptance of gifts subject to management approval. Chebucto Connections does not provide any legal, accounting, tax, financial or other advice to donors. In situations of any uncertainty regarding the origins or potential ethical issues related to acceptance of a gift the Executive Director shall consult with the Board of Directors and other appropriate professional advisors.

Cash

Cash is defined as anything that can be deposited directly into Chebucto Connections’ bank account. This includes but not limited to cash, cheques, money orders, bank drafts, etc.

1. Cash gifts will be deposited into Chebucto Connections’ bank account and receipts will be issued using Canadian dollars.
2. If the deposit takes the form of foreign cash, the receipt value will be based on the Canadian dollar as calculated by Chebucto Connections’ bank and recorded as the deposit amount in Canadian dollars.
3. Receipts will be issued for gifts of cash as outlined by the Income Tax Act (ITA).
4. Charitable receipts of \$10 or more will be issued in the name of the person who owns the cash that is being donated to Chebucto Connections upon receipt of the full donation amount, full name and address
 - a. While the name on a cheque should be viewed as strong evidence of the ownership of funds, in some circumstances this is not conclusive. For example, a cheque may actually represent the collection of donations from various individuals and for simplicity one cheque is issued to Chebucto Connections. In this scenario the person issuing the cheque is acting as an agent for Chebucto Connections and has collected all the individual donations. The agent submits a list of names, addresses and the amount each person donated to Chebucto Connections with the consolidated payment. Chebucto Connections should be consulted in situations where the ownership of the funds is not really determined.

Gifts-In-Kind

Publicly Listed Securities

Publicly listed securities are securities that are publicly traded on a stock exchange recognized CRA and cannot come from a registered investment account (RRSP, RSP, TFSA, RIF etc.).

Gift-in-kind donations of publicly listed securities may be received via transfer of securities from the donor's brokerage account to Chebucto Connections are done through CanadaHelps, which will process the donation on our behalf.

Private Company Shares

Acceptance of donations of private company shares is evaluated on a case-by-case basis. Consult with Chebucto Connections management for direction on any private company share donation scenarios. Items that need to be considered prior to accepting a donation of private company shares:

1. The enhanced tax benefit that applies to the donation of publicly listed securities does not apply to the donation of private company shares.
2. Are the shares a non-qualified security as defined by the Income Tax Act? If so, do the exception rules apply?
3. Is there a buyer for the shares after the donation to Chebucto Connections has been completed?
4. How long will Chebucto Connections be required to hold the shares before they can be sold? Can the market value be accurately determined at the time of transfer?
5. Are there contingent liabilities within the corporation that could adversely affect the market value of the ability of Chebucto Connections to sell the securities?
6. Are the shares closely held (limited number of shareholders), which could affect the liquidity of the shares?
7. What is the nature of the business and is it consistent with Chebucto Connections' mission and vision?
8. Does the ownership of the shares require Chebucto Connections to be actively involved in the day-to-day operations of the business?
9. Is there a restriction on the sale of the shares? (Minimum holding period, buy/sell arrangements, etc.)?
10. Is the issuing corporation willing to redeem the shares immediately and issue a note payable to Chebucto Connections for the value of the shares?
11. Does the Note have an interest rate payable in cash annually to Chebucto Connections?

Life Insurance

If a person donates a new or existing life insurance policy to Chebucto Connections, Chebucto Connections becomes the owner and beneficiary of the policy. Prior to accepting a donation of life insurance Chebucto Connections will review the policy to determine if the policy meets the charitable purposes of the donor. The following procedures apply to life insurance gifts:

1. Ownership of the policy is irrevocably transferred to Chebucto Connections.
2. A charitable receipt is issued for the fair value of the policy at the time of the ownership change.
3. Ongoing premiums, if paid by the donor, are eligible for a charitable receipt. A donor may continue to make the premium payment as follows:
 - a. The donor makes a gift to Chebucto Connections for the amount of the insurance premium. Chebucto Connections pays the premium to the insurance company.
 - b. The donor pays the premium directly to the insurance provider. Chebucto Connections confirms the total premiums paid annually as of Dec 31st and issues a charitable receipt for such premium donations.
 - c. Donors wishing to make pre-authorized contribution payments are encouraged to pay directly to the insurance company.
4. If the donor is unwilling or unable to make the premium payments, Chebucto Connections will contact the donor to determine the best course of action. Options to be considered:
 - a. Use any existing cash surrender value in the policy to make premium payments.
 - b. Contact the charities that are to benefit from the policy to determine if they are willing to continue making the premium payments.
 - c. Collapse the policy and distribute any available cash surrender value.
 - d. Consult with the agent on record to review other options such as a reduced payout.
 - e. Chebucto Connections continues to make the premium payment as an investment. The insurance policy payout would be used 100% to support the work of Chebucto Connections.

Naming Chebucto Connections as a Beneficiary within the Policy

A person may choose to name Chebucto Connections as a beneficiary in a life insurance policy. In this situation, Chebucto Connections is not the owner of the policy. The person does not receive a donation receipt for fair value of the policy or the premiums paid. Chebucto Connections issues a donation receipt to the estate of the deceased insured for the amount received from the insurance company at the death of the insured individual.

Summary

Before a donation of life insurance is initiated, it must be established if the donor requires a donation receipt while they are alive or if their estate needs the donation receipt.

Donation receipt issued for fair value of the donated policy and any life insurance premiums paid by the donor after the policy is transferred to Chebucto Connections:

1. Chebucto Connections is the owner and beneficiary of the policy.
2. No donation receipt is issued at the time of death.
3. Chebucto Connections issues donation receipts for premiums paid by the person on the policy.

4. Donor(s) can use the donation receipts while they are alive.

Donation receipt issued for payout from life insurance:

1. To the person who is the owner of the policy and Chebucto Connections is listed as a beneficiary.
2. No donation receipt will be issued for premium payments during person's lifetime.
3. Chebucto Connections issues a donation receipt to the person's estate for the value of the life insurance payout.

Property

Real Estate

A donation of property can include vacant land or land and buildings. Donations of property will be evaluated on a case-by-case basis in consultation with Chebucto Connections Board of Directors. Receipts will be issued in keeping with the provisions of the Income Tax Act for the donation of capital property. Issues and information that need to be addressed prior to accepting a donation of property:

1. An independent appraisal is required to establish market value.
2. An environmental review may be required prior to accepting the gift.
3. Any consideration that is attached to the property (mortgage, restricted covenants, caveats or other items registered against the title) must be clearly identified. If the property value cannot be reasonably determined, no charitable receipt can be issued.
4. The enhanced tax benefit that applies to the donation of publicly listed securities does not apply to the donation of property.
5. Recommend that the donor obtain independent professional advice regarding the implications of making the gift.
6. Identify the length of time Chebucto Connections will be required to hold the property before it can be sold.
7. Determine whether there is a life interest component to the donation.
8. Determine future valuation of the property.
9. Determine any contingent liabilities associated with the property that could adversely affect the market value of the ability of Chebucto Connections to sell the property.
10. Ascertain whether the property generates any revenue.
11. Determine any ongoing costs associated with owning the property.

Personal-Use Property

Donations of personal-use property will be evaluated on a case-by-case basis in consultation with Chebucto Connections Board of Directors. Examples of personal-use property include but are not limited to, art, jewelry, household effects, and heirlooms.

Due to risks associated with holding personal property Chebucto Connections will generally only accept donations of personal property if a willing buyer is available at the time the donation is made or Chebucto Connections Board of Directors is confident that the personal property can be used or sold.

Receipts will be issued in keeping with the provisions of the Income Tax Act.

Issues and information that need to be addressed prior to accepting a donation of personal-use property:

1. An independent appraisal may be required to establish market value. In cases where the property is said to be valued over \$1000 the property is subject to an appraisal.
2. The appraiser must be a qualified and independent party who is not connected to the donor.
3. The enhanced tax benefit that applies to the donation of publicly listed securities does not apply to the donation of personal property.
4. Determine the length of time Chebucto Connections will be required to hold the personal property before it can be sold.
5. Recommend that the donor obtain independent professional advice regarding the implications of making the gift.
6. Identify the length of time Chebucto Connections will be required to hold the property before it can be sold.
7. Determine whether the personal property will hold its value into the future
8. Identify any contingent liabilities associated with the personal property that could adversely affect the market value or the ability of Chebucto Connections to sell it
9. Determine if there is any ongoing costs associated with owning the property
10. Determine whether other members have been consulted regarding the donation

Cultural Property and Ecological Land

Chebucto Connections does not qualify as a charity eligible to accept donations of cultural property or ecologically sensitive land that generate tax benefits to the donor. Please refer to the information in the Income Tax Act pertaining to donating these assets in a tax efficient manner.