

## Gift Acceptance, Valuation & Privacy Policy

### Introduction

This purpose of Jubilee Fund's Gift Acceptance, Valuation & Privacy Policy (GAVPP) is to provide guidance to Jubilee Fund employees and volunteers regarding the acceptance, acknowledgement, receipting, and disposing of charitable gifts as well as the privacy provided for donors. The policy also serves as a source of information for potential donors who are interested in supporting Jubilee Fund's mission:

*"The Jubilee Fund's mission is to finance projects that reduce poverty and have a positive social impact in Manitoba. The Jubilee Fund is a non-profit lender that finances organizations and individuals that do not qualify for traditional financing."*

This GAVPP is reviewed annually by the Fund Development Manager or as circumstances may require. It may also be amended upon recommendation and approval by the Executive and the Jubilee Fund Board of Directors. Revisions to the policy are approved by the Jubilee Fund Board of Directors.

All exceptions to this GAVPP must be referred to the Executive.

### Key Terms

Executive – committee comprised of the Jubilee Fund President, Vice President, Treasurer, Secretary and Executive Director.

Planned Giving Advisory Committee – committee comprised of volunteers with expertise in life insurance, real estate, bequest, legal matters and accounting.

Volunteer – any individual who freely offers their time to Jubilee Fund without expectation of payment. This includes Board of Directors and committee members.

Donor – an individual, partnership, corporation, foundation or other legal entity that makes a charitable gift.

Gift – a voluntary transfer of property without consideration.

Advantage – any direct or indirect benefit, gratuity, payment, commission, now or in the future that the donor or related party is entitled to receive as a consequence of a donation. The value of advantage must be reasonably determinable in order to calculate the eligible amount.

Fair Market Value (FMV) – the highest monetary price property would bring in an open, unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, prudent, and acting independently of each other.

Eligible Amount – the FMV of the contributed property less the advantage (if any). The eligible amount equals the value of the charitable tax credit or deduction claimed by the donor.

Designated Stock Exchange (DSE) - a stock exchange, or a part of a stock exchange, that has been designated as such by the Minister of Finance. All designated stock exchanges are recognized stock exchanges. A designated stock exchange is listed on the Department of Finance Canada website, or by any other means that the Minister of Finance considers appropriate. There are five designated stock exchanges in Canada:

- the Canadian National Stock Exchange (CNSX)
- the Montreal Exchange
- the TSX Venture Exchange (Tiers 1 and 2)
- the Toronto Stock Exchange



- the Aequitas NEO Exchange

The list also includes many stock exchanges outside Canada, which have also been designated.

### **Donor Restricted Gift Policy**

*“Spending of funds is confined to programs and projects approved by the organization. Should a donor choose to restrict a contribution for use in a particular program or project, we will honour that restriction, 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 organization, the remaining restricted contributions will be used where most needed.”*

### **Acceptance Authorization**

The Executive shall delegate to designated employees of Jubilee Fund the ability to accept gifts on behalf of Jubilee Fund. The Executive 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 administration and/or other professional advice.

### **Types of Gifts**

Gifts are generally categorized as outright or deferred. Jubilee Fund recommends that donors seek Independent Legal Advice (ILA) prior to making any significant outright or deferred gifts.

**Outright gifts** generally include:

- Cash, cheques and cash equivalents
- Publicly listed securities (including stocks, mutual fund and bonds)
- Jubilee Investment Certificates (JICs)
- Fixed value preferred shares
- Non-cash gifts (business inventory, computer equipment, jewelry)
- Real estate

Jubilee Fund does not accept cryptocurrency including Bitcoin Cash as gifts.

Cash, cheques and cash equivalents – This includes electronic fund transfers and credit cards. All cheques shall be made payable to “The Jubilee Fund Inc.” Cheques made payable to an employee or a volunteer for credit to Jubilee Fund, will not be accepted as a gift to Jubilee Fund. Electronic fund transfers must be processed in compliance with Jubilee Fund’s “Transfer of Fund’s Policy” which can be made available to donors upon request.

Publicly listed securities – These are mutual funds, prescribed debt instruments, as well as warrants, right options and stocks that are listed on DSEs. Following receipt of the securities, the Jubilee Fund will hold or dispose of the securities at the Executive’s and/or the Planned Giving Advisory Committee’s discretion; Fund may hold onto publically listed securities to be sold at a later date or choose to sell them immediately.

Jubilee Investment Certificates (JICs) – JICs may be donated to the Jubilee Fund at any time prior or at time of maturity. Jubilee Fund maintains the right to withdraw the JICs from the pooled loan fund at time of maturity as deemed necessary to the best financial interests of the Jubilee Fund. Interest waived on JICs, is not considered eligible for a charitable tax receipt. However the donation of a JIC is eligible for a donation receipt based on the principal of the original investment plus the interest accumulated at the time of the gift transfer. Monetary gifts made with the expectation that the funds will be placed into the pooled loan fund as a JIC, must be made in memory of or in honor of an organization, individual or other legal entity. JIC donation funds made in this way, will be used to purchase a JIC for a five year term with waived interest. Upon maturity, Jubilee Fund reserves the right to withdraw the JIC from the loan fund, to be used as deemed most financially beneficial to the Jubilee Fund and its mission.



Fixed value preferred shares – This includes gifts of privately-owned securities and partnership interest. These can be accepted by Jubilee Fund so long as they will not subject Jubilee Fund to penalties and can be sold immediately. Jubilee Fund will issue a donation receipt based on the proceeds received for the redemption of the shares thus negating the need for a FMV assessment of the value. In addition an approved template agreement between the donor and Jubilee Fund outlining the terms of the gift will be provided to the donor. The Jubilee Fund retains the right to decline any gift of private securities if they are considered a liability to the Jubilee Fund or not in compliance with this GAVPP.

Non-cash gifts – Non-cash gifts include in-kind gifts. Gifts will be considered for acceptance by the Fund Development Manager. Receipts are provided on a case by case basis and are not guaranteed. Donors are encouraged to reach out prior to making a gift of property if a charitable tax receipt is expected.

Real estate – All gifts of real estate will be referred to the Executive and/or the Planned Giving Advisory Committee for prior approval. Prior to any acceptance of a gift of real estate, Jubilee Fund 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

**Deferred gifts** generally include:

- Gifts via the Last Will and Testament
- Designation donations
- Life insurance policies

Gifts via the Last Will and Testament– Consist of bequests to Jubilee Fund. Jubilee Fund reserves the right to decline any gifts from the estate of a deceased donor which is not in compliance with this GAVPP. The Jubilee Fund is not qualified to provide legal support and any donor interested in making an estate gift, is encouraged to seek external ILA prior to making the gift.

Designation donations – Consists of the proceeds from a life insurance policy, RRSP, TFSA, or RRIF.

- Life insurance policies – There are various methods by which a life insurance policy may be contributed to the Jubilee Fund. A donor may:
  1. Assign irrevocably a paid-up policy to the Jubilee Fund with or without premiums owing;
  2. Name the Jubilee Fund as a beneficiary of the death benefit.

When ownership is irrevocably to the Jubilee Fund and it names itself as beneficiary, the donor is entitled to a donation receipt for the net cash surrender value (if any) or the FMV as determined by an actuary. Once the policy is assigned to the Jubilee Fund, any premiums subsequently paid by the donor are charitable gifts eligible for a tax receipt. Receipts will only be issued upon written notice of premium payment from the donor's life insurance company. Upon the donor's death, the Jubilee Fund receives the value of the policy. Premiums paid for life insurance policies in which the donor retains ownership and which name the Jubilee Fund as a beneficiary are not eligible for a charitable tax receipt during the donor's life time. Any death benefit ultimately received is a donation and eligible for a tax receipt. Jubilee Fund reserves the right to decline any life insurance policy gifts a deceased donor which is not in compliance with this GAVPP.

## Privacy

Jubilee Fund utilizes a third party donor database under the expectation that confidentiality is maintained by the third party service provider. Should that be found to be untrue, Jubilee Fund holds the third party accountable and accepts no responsibility for its actions. Third party gift processors utilized by the Jubilee Fund (i.e. Canada Helps, PayPal) are independently held liable for acceptance, valuation and distribution



of gifts and donor privacy. Jubilee Fund accepts no responsibility for gifts processed by third party processors.

Jubilee Fund processes gifts utilizing the following practices to ensure the privacy of our donors.

1. All sensitive credit card information not securely stored in our database, is shredded and/or blacked out upon the card being processed by the Jubilee Fund. Donors are strongly discouraged of sending credit card information by email. Jubilee Fund does not accept liability for any intercepted emails that contain credit card information or other sensitive donor information.
2. All donor files are maintained and controlled by the Fund Development Manager. 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. Volunteers are provided with donor information on a case by case basis, pending that they have signed the required confidentiality agreement. Let it be noted that any private donor information should be directed to the Fund Development Manager in order to ensure privacy measures are properly implemented. Jubilee Fund takes no responsibility for leaked donor information that donors choose to openly share with Jubilee Fund volunteers.

### **Compatibility**

All gifts must align with the charitable purposes and objectives of Jubilee Fund.

Jubilee Fund is cautious when accepting any gift in order to avoid the appearance of impropriety and reserves the right to decline a gift for any reason including gifts with:

- potential to jeopardize Jubilee Fund's charitable status
- provincial or federal law violations
- unreasonable conditions, liens or other encumbrances
- potential to financially or morally jeopardize the donor or Jubilee Fund
- revocable conditions in any way

If a direct or indirect conflict of interest is disclosed to a Jubilee Fund employee or volunteer, that employee or volunteer will refer it to the Executive Director. If the conflict of interest involves the Executive Director, it will be referred to the President.

All gifts that are unusual in nature should be referred to the Executive and/or the Planned Giving Advisory Committee for prior approval. Jubilee Fund reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions.

If professional or appraisal fees are necessary, Jubilee Fund shall use its best efforts to estimate the reasonableness of fees prior to payment and will ensure disclosure of the 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.

### **Acknowledgement**

Jubilee Fund will not pay fees to any person for directing a gift (i.e. incentive based fundraising).

All official tax receipts for gifts will comply with the *Income Tax Act and Regulations*. Tax receipts will be issued for all monetary gifts equal to or in surplus of \$20.

Gifts made in memory of an individual will be acknowledged through a letter to the family of the deceased; the donor will receive a copy of the acknowledgement letter. In addition, the gift is recognized on Jubilee Fund's website as "*In Memory of <name>*".



Gifts made in honour of an individual, partnership, corporation, foundation or other legal entity will be acknowledge through a letter to the honoured party; the donor will receive a copy of the acknowledgement letter. In addition, the gift is recognized on Jubilee Fund's website as "*In Honour of <name>*".

Individuals will not be publically recognized by the Jubilee Fund in order to protect donors from outside solicitations. Exceptions may be made upon the discretion of the Fund Development Manager and upon approval of the donor.

Individual, partnership, corporation, foundation or other legal entities that make a gift are recognized publically (i.e. website and social media). Should the donor prefer to remain private, the request must be submitted in writing to the Fund Development Manager. It is in the discretion of the Fund Development Manager whether to remove a donor's name from the website after one year following the gift made.

## **Valuation**

Jubilee Fund follows standard industry practice guidelines in valuing all gifts.

The date of any gift will be defined as the date on which the donor irrevocably relinquishes control of the property to Jubilee Fund. If the date of the gift cannot be determined, the following guidelines will be used:

- Credit and Debit cards - Credit and debit card gifts are deemed to be accepted on the day Jubilee Fund's account is credited, providing funds have sufficiently cleared the banking system.
- Gift of Securities - based on delivery method:
  - Electronically Transferred – The date the security transfer is requested at the delivering institution (i.e., the brokerage firm). This will be requested and confirmation provided by the delivering institution.
  - Hand delivered – The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are received at Jubilee Fund office. The stamped date with this notation must be retained.
  - Mailed – The date the physical security certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are post marked. The envelope with the post mark must be retained.
    - In all cases, FMV of the donation shall be the closing bid price of the security on the day the securities are deemed to have been requested from the delivering institution, except in cases where the midpoint of the high and low trading prices for the day is a better indicator of fair market value (for example, for publicly traded but more illiquid securities).
- Jubilee Investment Certificates (JIC) – A JIC gift is deemed to be accepted on the date of its maturity.
- Non-cash gifts - Non-cash gifts, no matter how delivered, are deemed to be accepted by Jubilee Fund when title is transferred to Jubilee Fund.
- Real Estate - A gift of real estate is deemed to be accepted when the Deed is registered in the name of Jubilee Fund.

Where the donor is deceased, the valuation date is the day the property is received; the Estate Trustee Information letter must be retained.

Jubilee Fund must be able to determine the FMV of any gifts and any advantage present. Should Jubilee Fund not be able to reasonably determine the FMV of a gift, the donor's acknowledgement will state a value of zero. Jubilee Fund reserves the right to decline any gift where an appropriate FMV cannot be determined or will result in unwarranted or unmanageable expenses for Jubilee Fund.

The FMV of non-cash gifts do not include taxes paid on purchasing the item.

FMV for gifts valued at less than \$1,000, the Fund Development Manager may establish FMV, documenting the basis used for the estimate and any other pertinent information. A record of documents used for



valuation will be filed. FMV for gifts valued at \$1,000 and over will be based on an independent appraisal completed by a qualified third party.

Gifts of Securities' FMV is based on the closing price of the units or shares recorded on the day the securities are received into Jubilee Fund's brokerage account.

Gifts of property including real estate gifts are subject to a deemed FMV rule. The date of FMV will be established for property gifts as the date of title transfer. This rule 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 is the FMV, with the following exceptions:

- gifts made as a consequence of a donor's death
- inventory
- real property of Canada
- ecologically sensitive gifts

**Please Note**

Should a donor feel that their gift is not accepted in compliance with this policy, they are strongly encouraged to contact the Fund Development Manager for Jubilee Fund immediately.

