

MAWA's Gift Acceptance Policy

March 2008

MAWA wishes to receive financial and in-kind support from individuals, organizations, foundations, trusts and businesses through voluntary charitable contributions and sponsorships. These gifts are critical to achieving our mission.

This document outlines our gift acceptance and receipting policies.

I. Type of Gifts

1. Outright Gifts

We accept outright gifts, which can be immediately used; including cash, securities, gifts in kind, property and cash value on life insurance.

2. Deferred Gifts

We accept gifts made through wills, gifts of life insurance policies and proceeds, charitable remainder trusts, gift annuities, and gifts of residual interest.

II. Donor Preferences

We receive and administer gifts in accordance with donors' instructions, insofar as they are within the guidelines set by us from time to time. Gifts can be categorized as follows:

- **Unrestricted Gifts** are intended to promote and carry on our work with no restrictions as to the use or administration of the funds
- **Designated Gifts** are intended to promote and carry on our specific work with no further restrictions as to the use or administration of the funds
- **Restricted Gifts** are gifts where, in order to meet donor preferences, we agree to undertake specific obligations in relation to the use or administration of the gift.

III. Gift Planning Principles

Ethics

As volunteers and professional staff that help donors and their advisors to design gifts that meet each donor's philanthropic and financial objectives within the context of our needs, we may inform, guide or otherwise assist donors who wish to support our activities, but never under any circumstance pressure or unduly persuade. All professional staff and volunteers will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. We will not knowingly accept a gift that is contrary to a donor's best interests. In all cases donors will be advised to get independent financial advice.

Legal and Professional Counsel

We encourage donors to discuss proposed gifts with independent legal, financial and/or tax advisors of the donor's choice, so as to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

IV. What is a tax credible gift?

Revenue Canada, in Interpretation Bulletin 110R3, states that a tax creditable gift (or deductible in the case of corporations) is a voluntary transfer of property without valuable consideration. A gift is made in any circumstance where all three of the conditions listed below are satisfied:

- A donor transfers some property, usually cash, to a registered charity.
- The transfer is voluntary. Any legal obligation on the payor would cause the transfer to lose its status as a gift.
- The transfer is made without expectation of return. No valuable consideration - no benefit of any kind - to the donor or to anyone designated by the donor may result from the payment.

Canadians making charitable donations are entitled to tax credits that reduce taxes directly.

Gift Appraisal, Acceptance and Disposition

1. Prior Approval

- Gift agreements requiring execution by MAWA shall be approved by the board that has the option to consult our Legal Counsel. Where substantially the same agreement is used repeatedly, only the proforma needs to be approved.
- MAWA will assess the value, and decide whether to accept or reject gifts, in order to protect the interests of donors and our organization.

2. Gift Acceptance Committee will be the Board or Board's designate

Gifts that require outside professional appraisal or valuation, that may put obligations on us, or expose us to potential liability, are subject to review by our Board of Directors in accordance with the policies and procedures in this document.

3. Information Required Prior to Consideration of Proposed Gift

- Description of the asset
- Purpose of the gift
- Estimated fair market value
- Income, expenses, encumbrances and carrying costs
- Environmental risks or problems
- Art Collection procedures
- Special arrangements for disposition requested by the donor

4. Acceptable Gifts

We welcome gifts that support the pursuit of MAWA's mission. Indicators that a gift is acceptable include that the gift is legal, marketable, and there is no conflict of interest.

5. Unacceptable Gifts

We have the right to decline any gift that is not consistent with MAWA's mission. Gifts will not be accepted that:

- Violate any federal, provincial or municipal law
- Commit us to name a facility, project or product, without prior approval of the Board of Directors
- Compromise our professional integrity or interfere with our mission
- As a condition thereof, require any action on the part of us which is unacceptable or violates policies
- Require or stipulate the future employment of any specified person or doing business with any specified company or person
- Contain unreasonable conditions
- Are financially unsound or that would expose us to liability or embarrassment
- Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable

6. Disposition Policy

In the case of gifts-in-kind, unless otherwise agreed through the terms of the deed of gift, all such gifts may be disposed of under the following guidelines:

1. The proceeds of a sale of the asset will benefit the program/project for whose benefit the gift was originally given
2. In the absence of such a beneficiary, we will direct the proceeds to a similar program/project.

7. Bequests

The intent of Legacy gifts will be respected and incoming monies will be designated by the Board of Directors on an annual basis.

VI. Issuing of Receipts

Gifts for which charitable donation receipts (Receipts) are given will comply with applicable federal and provincial tax regulations. Gifts of cash, cheques, credit card or negotiable securities to which no conditions are attached can be routinely accepted and administered.

MAWA is responsible for:

- Issuing Receipts specifying the amount and date of the gift and bearing our business number

- Distributing Receipts and related gift acknowledgment correspondence for all gifts
- Providing a duplicate receipt if requested by the donor and showing DUPLICATE on the actual receipt.

1. Gifts of securities and mutual funds, the value of receipts will reflect:

- The highest value of the security on the date the assets are transferred to our account electronically (unless otherwise specified by the donor) or,
- In the case of stock certificates, the receipt will bear the highest value of the stock on the day of its receipt (unless otherwise specified by the donor).
- If gifted securities are in a foreign currency, the conversion is done at the bank's buying price for that currency on the date of the Receipt

2. Receipt Recipients

We will issue the Receipt to the actual donor of the gift. In the case of a gift by cheque or credit card, this is the person (or people) whose name(s) appear(s) on the cheque or credit card. In the case of a gift of cash, we will refer to accompanying documentation to determine to whom to issue the Receipt.

We realize that it is the donor's responsibility to report charitable contributions to the CRA as personal or business donation and will issue the receipt in accordance with specific instructions by the donor.

In the case of donations given through the Winnipeg Foundation or CanadaHelps the donation receipt is issued by those organizations and not directly from MAWA.

3. Date of Donation

- The date of donation is the date on which the gift is actually received, or, in the case of gifts-in-kind, the date on which the ownership is transferred.
- Gifts received after the end of the year can be considered as given in the prior year, when the gift is postmarked in the prior year and received by an early January date decided annually by CRA.
- The "Date Donations was Received," which appears on all Receipts, is the date on which the Receipt was prepared, unless otherwise indicated.

4. Replacement of Lost Receipts

To replace a lost Receipt, we may, in some cases, issue a replacement. If a replacement is produced, the new Receipt must refer to the original Receipt number and indicate that it is a replacement.

Points 5 to 11 below represent cases where acceptance or receipting of gifts may differ from the procedure listed above in section 1.

5. Certified Cultural Property

The Cultural Property Export and Import Act encourages Canadians to keep significant cultural property in Canada by providing incentives for Canadians who give this type of property to designated institutions and public authorities. Gifts of cultural property benefit from special tax treatment that encourages such gifts.

While MAWA is not currently designated to receive gifts of cultural property, we may apply for designation once, in order to receive a particular gift of cultural property.

6. Equipment Purchases

Receipts can be issued for contributions in order to purchase equipment that becomes the organizations property. If the equipment is related to a grant, different treatment applies. In such cases, contact the CRA.

The procedure for gifts of equipment follows:

- The designated purpose for the equipment should be part of the general activities for which donations would normally be accepted
- Deposit the gift in the designated account and issues a Receipt
- Purchase the equipment from the appropriate account
- The thank you letter declares that the equipment is the property of the organization.

7. Fund-Raising Events

Receipts can be issued for the charitable portion of ticket prices for approved fund-raising events.

To determine the value of the charitable donation portion, consider that two payments have been received: one for the fair market value of admission and the second as a gift. The fair market value is determined by making a comparison to the regular or usual

charge for attendance at a similar function or the estimated price that would have been charged. The Receipt is issued and the donor is recognized for the gifted portion only.

Revenue Canada does not permit the issuance of Receipts where the price of admission to a dinner, ball, concert, show or other event includes participation in a lottery or draw for prizes or awards, that have more than a nominal value.

8. Gifts-in-Kind

Receipts may be issued for gifts-in-kind. In cases of gifts of real estate and tangible or personal property that is not readily valued or negotiable, refer to the CRA. General procedures for items that are readily valued are:

- A professional appraisal of the value of the gift is required prior to the issuance of a Receipt
- Gifts-in-kind must be approved by the Board before a Receipt is issued.
- An internal appraisal is acceptable for gifts-in-kind valued at \$1,000 or less, should we have staff with the expertise to make the valuation. Gifts-in-kind valued over \$1,000 require an external appraisal, in writing, from a qualified person
- In the case of gifts valued in excess of \$1,000, donors are responsible for securing a qualified, reputable appraiser to produce a well-documented appraisal to substantiate the Receipt. Donors are encouraged to select the appraiser and pay the fee. We reserve the right to obtain and rely on a second appraisal, at our expense, for the purpose of issuing a Receipt
- We do not normally accept gifts of art that we cannot appropriately steward and display. Such a gift may be accepted on the understanding that it would be sold and the proceeds directed as the donor wishes. Gifts of art require authentication. Appraisal by a member of the Professional Art Dealers Association of Canada (PADAC) or a member of an equivalent international association is the basis upon which Receipts are issued. Acceptance decisions rest with the MAWA Board of Directors;

9. Gifts of Service

Revenue Canada expressly forbids the issuance of Receipts for a gift of service. However, a Receipt may be issued when an individual or business invoices for the service, we receive the service, pay for the service, and the service provider returns, on a voluntary basis, the amount of the payment as a donation.

10. Social Gaming

In all cases, a payment for a lottery ticket, raffle, draw or other chance to win a prize is not a gift for which we may issue a Receipt.

11. Sponsorships

In the case of sponsorships, sponsors or funders may receive Receipts to the extent that they receive no direct benefit from the payment, and a non-charitable Receipt to the extent to which they receive a direct benefit from the payment.

Generally, MAWA considers sponsorships as marketing opportunities instead of charitable donations.

VII. Stewardship

1. Accountability

- Gifts and accompanying correspondence are handled with discretion. We maintain records required by Revenue Canada for Receipting purposes. Access to these records is restricted to appropriate designated staff
- We will not release names of volunteers and donors to unrelated organizations
- We will comply with any legal obligation to disclose names of donors and the nature of their gifts (for example, obligations that may arise under the Income Tax Act, the Freedom of Information and Protection of Privacy Act or other relevant statutes).

2. Investment

With regard to the administration of invested funds:

- Investments will be consistent with MAWA's Trust and Endowment Policy as it may be revised from time to time.
- Investments will be consistent with the concept of equality and social responsibility.
- We will provide donors of endowed awards with an annual financial report of their fund, and, in the case of scholarships, bursaries and awards, appropriate information about the recipients of assistance in keeping with MAWA's Confidentiality Agreement and privacy procedures.

Donations Procedure

Step by step of our donations procedure:

1. Print out letter of thanks to be signed by one of the EDs.
2. Fill out official tax receipt to be signed by same ED.
3. Enter information about donation into database under donor's name, including which thank you letter was sent, receipt number, date, campaign the donation resulted from (if any), and fund it will be attributed to.
4. Email donor info to ED for personal phone call.
5. Letter and receipt are sent out with hand-addressed envelope and real stamp.