



**MISERICORDIA**  

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**H e a l t h • C e n t r e**  
**FOUNDATION**

**Misericordia Health Centre Foundation  
Gift Acceptance and Recognition Policy**

**January 2019**

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## 1. Introduction

The Misericordia Health Centre Foundation (referred to as the “Foundation”) accepts gifts in support of Misericordia Health Centre. The Gift Acceptance and Recognition Policy applies to all fundraising activities of the Foundation, including: annual giving; planned gifts; major gifts and capital needs; special fundraising initiatives; endowments; and any third parties conducting events on behalf of the Foundation.

The Foundation recognizes and appreciates the generosity of individuals, businesses and organizations that invest in our Mission. Recognizing the financial investment made by our private supporters demonstrates the importance of these partners in the fulfillment of our Mission and the advancement of Misericordia Health Centre.

It is the intention of the Foundation to accept gifts that are in keeping with the Foundation’s mission, vision and strategic goals and in compliance with Canada Revenue Agency (CRA) policies related to charitable giving. References to CRA policies are in effect at the time this policy was revised.

This policy is established to:

- Ensure that informed decisions can be made to accept charitable gifts to the Foundation;
- Ensure that appropriate administrative, legal and accounting practices are followed in receipting, report and acknowledging such gifts; and
- Ensure consistent and equitable relationships with all donors.

For the purposes of this policy, “gift” refers to outright gifts to the Foundation.

The term “endowment” is used to refer to gifts made to the Foundation on the understanding that the “capital” or “principal” amount of the gift will be invested with the investment earnings used to advance specified purposes.

## 2. Gift Planning Principles

### 2.1 Ethics

All professional staff, volunteers and members of the Foundation Board will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity, as set out in the Association of Fundraising Professionals (AFP).

The Foundation may inform, guide or otherwise assist donors who wish to support the Foundation's activities, but never under any circumstance pressure or unduly persuade.

The Foundation will not knowingly accept a gift that is contrary to a donor’s and/or the Foundation and Misericordia Health Centre’s best interests.

### 2.2 Confidentiality

All information discussed with donors and/or advisors will be treated on a confidential basis. A

confidentiality agreement may be used where required or at the discretion of the donor and/or Gift Acceptance Committee.

Foundation Board members, volunteers and staff will sign an annual confidentiality statement regarding the discussion of donors or potential donors outside of the board or staff.

### **2.3 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.

### **2.4 Conflict of Interest**

Further to the Foundation's By-Law 6.08, in all matters involving the donor, the interest and well being of the donor must take priority. In cases of conflict of interest, those acting on behalf of the Foundation must declare the conflict and allow an impartial individual to act for the institution. A conflict of interest is deemed to occur when individuals who present themselves as representatives of the Foundation attempt to sell their own product to the donor. However, if the individuals present themselves as representatives of an outside firm and part of their financial counseling involves arranging gifts for the Foundation, no conflict would exist.

## **3. Gift Arrangements**

### **3.1 Outright Gifts**

Gifts of cash or publicly-traded securities that are readily marketable and intended to be put to immediate use, and, to which no conditions are attached, are routinely accepted and administered by the Foundation.

### **3.2 Deferred Gifts**

Gifts may be made by way of wills, life insurance policies and proceeds, charitable remainder trusts, reinsured gift annuities, residual interest and other such arrangements as may from time to time be approved by the Foundation and cannot be put to immediate use by the Foundation. The Executive Director is authorized to negotiate with prospective donors and/or their advisors and accept and administer such gifts in accordance with guidelines approved by the Board.

### **3.3 Donor Preferences**

The Misericordia Health Centre Foundation receives and administers gifts in accordance with donors' instructions, insofar as they are within the guidelines set by the Foundation from time to time. Gifts can be categorized as follows:

- 3.3.1 Unrestricted Gifts are when the donor has not specified how the gift is to be used. The gift is intended to promote and carry on the work of the Foundation with no restrictions as to the use or administration of the funds.
- 3.3.2 Designated Gifts are when the donor has specified where in Misericordia Health Centre the support is to be directed to promote and carry on specific work of the Health Centre with no further restrictions as to the use or administration of the funds. A gift may be "designated" to a particular program or department, for example Ophthalmology or Long-Term Care.
- 3.3.3 Restricted Gifts are when a donor has specified that the gift is to be used to support specific programs or projects and the Foundation agrees to undertake specific obligations in relation to the use or administration of the gift.
- 3.3.4 Endowment Fund Gifts are gifts to a fund where the principal is retained in perpetuity and the annual investment income is disbursed. A named endowment fund may be created with accumulated or one-time gifts of \$25,000.00 or more.

To ensure continuity and integrity of restricted gifts as circumstances change over time, the Foundation recommends that language similar to the following be included in instructions pertaining to deferred gifts, the use of which is specified by the donor:

"In the event that circumstances make the specified use or purpose of this gift no longer practicable or desirable, the Foundation is hereby authorized to make changes in its use, in keeping as far as possible with the spirit and general intent of the gift."

To facilitate efficiency in investing and administering funds intended to be endowed, designated or restricted gifts should contain language similar to:

"The capital and the income therefrom is to be administered in accordance with the Foundation's Investment Policies and Objectives as amended from time to time."

## **4. Gift Appraisal, Acceptance and Disposition**

All gift agreements requiring execution by the Foundation will first be reviewed and approved by the Foundation's Executive Director and, when and as deemed appropriate, the Foundation's professional counsel.

The Foundation will assess the value and decide whether to accept or decline gifts, in order to protect and balance the interests of donors and the Foundation.

#### **4.1 Gift Acceptance Committee**

Gifts that require outside professional appraisal or valuation, that may put obligations on the Foundation, or expose it to potential liability, are subject to review by the Foundation's Gift Acceptance Committee (hereinafter "the Committee") in accordance with the policies and procedures in this document. The Committee may include, but not be limited to the following:

- Executive Director of the Foundation
- Chair of the Board of the Foundation or designate
- Chair of the Foundation's Finance Committee or designate
- Major Gifts and Planned Giving Officer for the Foundation
- Chair of the Foundation's Fund Development Committee or designate

Decisions regarding the following types of gifts will be reviewed and considered in the context of the Foundation's Gift Acceptance and Recognition Policy and the Investment Policies and Objectives, as amended from time to time.

- Certain outright gifts of real estate, shares in privately-owned companies, personal property, and any other property interests which cannot be readily appraised or marketed;
- Deferred gifts such as charitable remainder trusts or residual interest gifts;
- Gifts to which conditions are attached or which may expose the Foundation to potential liability.

The Committee is responsible for assessing whether the terms of gifts are acceptable to the Foundation, whether the Foundation has the capacity to process and manage the gift and for ruling on certain gifts where policy application is unclear. In carrying out their responsibilities, the Committee will oversee the process described below.

#### **4.2 Information Required Prior to Consideration of Proposed Gift**

In preparation for considering whether to accept or decline a gift, relevant information shall be ascertained, including:

- Description of the asset;
- Purpose of the gift;
- An appropriate appraisal or valuation stating fair market value;
- Income, expenses, encumbrances and carrying costs;
- Environmental risks or problems;
- Special arrangements for disposition requested by the donor.

#### **4.3 Non-Gifts**

In keeping with CRA regulations, the following transactions do not constitute philanthropy and are not eligible for charitable tax receipts:

- Sale or gifts of service
- The purchase of an item or service from the Foundation
- Sponsorship
- Lottery, draw or contest tickets

#### 4.4 Acceptable Gifts

The Foundation welcomes gifts that support the pursuit of its mission. Indicators that a gift is acceptable include:

- The Foundation has a use or need for the gift or, when there is no immediate need, the gift is marketable;
- To the Foundation's knowledge, there is no reason to believe that the gift and its accompanying terms are not legal and are in accordance with the *Income Tax Act*;
- The purpose of the gift is compatible with the work/priorities of the Foundation or the Health Centre unit intended to be the recipient of the gift;
- The size and/or benefit of the gift are not perceived to be disproportionate to the work or cost required to support/sustain the gift;
- There does not appear to be appreciable or excessive physical hazard and/or liability concern associated with the gift.

#### 4.5 Unacceptable Gifts

The Foundation has the right to decline any gift that is not consistent with its mission. Consideration in this regard will be guided, but not limited to, factors outlined in Appendix A: Unacceptable Gifts.

#### 4.6 Disposition Policy

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

- Consultation with the appropriate Health Centre representatives;
- The proceeds of a sale of the asset will benefit the Foundation or Misericordia Health Centre or unit intended to benefit from the gift;
- In the absence of such a beneficiary, the Foundation will direct the proceeds.

### 5. Current and Deferred Gift Planning Options

There are many gift-planning options. Foundation staff will work with donors and their advisors to design gifts that meet each donor's philanthropic objective while maximizing tax and other benefits, and that meet the Foundation's priorities and needs.

The most common and therefore primary types of gifts expected from prospective donors are:

- Bequests
- Securities
- Life insurance

Other gift techniques that may arise from time-to-time because of interests and circumstances of prospective donors will be considered in the context of the Gift Appraisal, Acceptance and Disposition Policy outlined in this policy. These include:

- Charitable remainder trusts



- Gifts-in-kind
- Real estate
- Reinsured gift annuities
- Residual interest gifts

## 6. Common Types of Gifts

The guidelines that follow focus on the most common types of gifts and are intended to ensure that gifts accepted by the Foundation will be cost effective.

### 6.1 Bequests:

#### Description:

Bequests have historically been the most frequent kind of deferred gift and have contributed significantly to advancing the charitable mission and the building of endowment funds to strengthen financial stability. The encouragement of bequests is one of the highest priorities of the Foundation.

#### Guidelines:

- a) Sample bequest language will be made available to donors and their lawyers to ensure that bequests are properly designated. Donors will also be invited to provide information about their bequest provision and, if they are willing, to send a copy of that section of the will naming the Foundation (see Appendix B: Bequests in Wills Language);
- b) Where the Foundation is a beneficiary of an estate, the Executive Director, in consultation with appropriate legal counsel, will communicate with the executor and/or lawyer responsible for handling the estate;
- c) Bequests to the Foundation can be arranged through a will as a specific bequest or on a contingent or reversionary basis. Bequests can specify an amount, a portion or the residue of a person's estate, or an asset such as property, life insurance proceeds, stocks, bonds or other tangible assets. In the case of property (real tangible, residual interest, capital, etc.), the acceptance policies and procedures covered elsewhere in this document apply;
- d) Since arrangements made in a will can be changed at any time, bequests are considered revocable, and as such, are not eligible for receipts during the life of the donor;
- e) Receipts are issued to the estate of the donor upon transfer of the gift, and can be credited against taxes that may be due from the estate. Gifts received through bequests are spent or invested according to instructions in the will and in accordance with the Foundation's policies, as amended from time to time.

### Realized Bequests and Bequest Expectancies

Undesignated legacy gifts may be allocated so that up to 50% of bequest revenues received are directed to the endowment fund with the balance directed to the general operations.

### 6.2 Securities

#### Description:

Such gifts include private stock and stocks, bonds, mutual funds and segregated funds traded on a prescribed stock exchange. Tier three stocks (e.g. Venture Exchange) are excluded from this definition.

**Guidelines:**

- a) Unless otherwise determined by the Foundation Board, all gifts of publicly traded securities will be sold immediately (or as soon thereafter as is practical) upon receipt. The proceeds will be used in accordance with donor directions, guided by the Foundation's Philanthropy Policy and Investment Policies and Objectives as amended from time to time;
- b) The Executive Director is authorized to open accounts in any financial institution in Canada and to arrange for the completion of all statutory documents required by said institution to open the account, so as to facilitate the orderly transfer of such gifts to the foundation;
- c) The Executive Director or Board Treasurer is authorized to execute trade orders on behalf of the Foundation to facilitate the orderly and efficient transfer or sale of securities for the benefit of the Foundation.

**6.3 Life Insurance****Description:**

There are various methods by which a life insurance policy may be contributed to the Foundation. Examples of gift arrangements include:

- Assign irrevocably a paid-up policy to the Foundation;
- Assign irrevocably a life insurance policy on which premiums remain to be paid;
- Name the Foundation as a primary or successor beneficiary of the proceeds;
- Name the estate as the beneficiary, with a bequest of equal value included in the will;
- Purchase a new policy with the Foundation as owner and beneficiary.

**Guidelines:**

- a) Any of the above types of life insurance gifts are acceptable to the Foundation;
- b) In the event a policy is contributed on which premiums remain to be paid, the donor will pay the premiums. An annual receipt will be issued for the amount of the premium;
- c) If the Foundation is the owner of the policy and the donor chooses to suspend premium payments, the Foundation may either cash in the policy in exchange for its cash surrender value or continue to make the payments on behalf of the donor;
- d) When ownership is irrevocably assigned to the Foundation, the donor is entitled to a receipt for the net cash surrender value (if any), any premiums subsequently paid and any outstanding policy loans that are prepaid;
- e) When the Foundation is named as a primary or successor beneficiary of the proceeds, a Receipt for the proceeds is issued to the estate of the deceased at the time the gift is transferred;
- f) When the Estate is named as beneficiary and a bequest is left to the Foundation, a receipt for the proceeds is issued to the Estate at the time the gift is transferred.

**7. Other Possible Gift Options**

The following gift arrangements may arise in the course of negotiating gift arrangements because they offer particular benefits for certain prospective donors. These types of gifts would require the Foundation's Gift Acceptance Committee to consider the merits of the potential gift in the context of the Gift Acceptance and Recognition Policy and other Foundation policy documents as amended from time to time that may pertain to the situation.

### **7.1 Charitable Remainder Trusts**

#### **Description:**

The charitable remainder trust is a form of a residual interest gift. The donor ("Settlor") transfers property to a trustee who holds and manages it. The net income will be paid to the Settlor and/or other named life interest beneficiary(ies). When the trust terminates (either at the death of the life interest beneficiary(ies) or after a term of years), the trust remainder is distributed to the Foundation. As with all charitable remainder trusts in which the Foundation is named as a beneficiary, the Settlor is entitled to a receipt for the present value of the remainder interest.

#### **Guidelines:**

- a) \$50,000 is the minimum amount of beneficial interest to Misericordia in order to establish a charitable remainder trust;
- b) A charitable remainder trust may be funded with cash, securities or real estate;
- c) If the Settlor selects an outside trustee, the trust may be funded with any property of any value acceptable to the trustee;
- d) The Foundation will not normally act as trustee of charitable remainder trusts. If the Foundation agrees to be the trustee:
  - i. The minimum trust size will be \$50,000 and the life interest beneficiaries must be at considered on a case-by-case basis
  - ii. If real estate is to be contributed, the real estate shall first be subject to the review process for Gifts of Real Estate described within this policy.

### **7.2 Gifts-in-Kind**

#### **Description:**

**Art:** Donors may make gifts of privately owned art or other valuables.

#### **Guidelines:**

- a) Gifts of art may be offered to the Misericordia Health Centre or the Foundation;
- b) The Foundation reserves the right to sell, display or store the materials at its sole discretion;
- c) The Foundation may agree to alternate arrangements in extraordinary circumstances;
- d) Receipts are issued for the fair market value of the gift, subject to a satisfactory appraisal conducted by a member of the Professional Art Dealers Association of Canada (PADAC) and paid for by the donor.

Art valued at less than \$1,000.00 may be appraised by a Foundation or Health Centre Staff person with knowledge of this area.

### 7.3 Real Estate

**Description:**

Gifts of real estate may be made in various ways: outright, residual interest in the property, or to fund a charitable remainder trust. The following guidelines pertain to gifts of real estate in general. The Foundation's Gift Acceptance and Recognition Policy as amended from time to time apply. Where real estate is transferred to a charitable remainder trust, additional requirements of the trustee must be met.

**Guidelines:**

- a) The donor shall secure and pay for a qualified appraisal of the property;
- b) A receipt will be issued for the appraised value (or present value of the residual interest computed on the appraised value, in the case of residual interest gifts). The Foundation reserves the right to secure its own appraisal and issue a Receipt based on it.
- c) The Foundation shall determine if the donor has clear title to the property;
- d) In accordance with its Gift Acceptance and Recognition Policy, the Foundation shall review other factors, including zoning restrictions, marketability, current use, cost of acquiring the property and cash flow, to ascertain whether acceptance of the gift would be in the best interests of the Foundation;
- e) An environmental assessment, which may include an environmental audit, must be completed at the donors expense and the property will be considered as a potential gift only if:
  - i. It contains no toxic substances; or,
  - ii. They are removed or other remedies taken, assuring the Foundation assumes no liability whatsoever.

### 7.4 Reinsured Gift Annuity

**Description:**

The gift annuity is an arrangement whereby a donor transfers assets to a charity pursuant to an agreement authorizing the charity to purchase a commercial prescribed annuity that will pay a stipulated amount. Assets in excess of the amount required for purchase of the commercial prescribed annuity are retained by the Foundation and used for purposes specified by the donor and acceptable to the Foundation. Determination of the gift receipt and taxation of annuity payments will be in accordance with the *Income Tax Act*.

As a public foundation, the Misericordia Health Centre Foundation cannot incur the "debt" obligation related to annuity payments. Therefore, gift annuities are accepted in cooperation with the Health Centre and administered through its Finance Office.

**Guidelines:**

The Foundation will not issue a charitable gift annuity, or any other annuity type product. The Foundation is authorized to act on behalf of the Misericordia Health Centre to facilitate planned gifts involving commercial annuity contracts. All proceeds from such gifts will be retained by the Health Centre for its use exclusively. At no time will the Foundation accept any property from a donor that was specifically derived from this program.

Under the terms of the Health Centre's Charitable Gift Annuity Program, the Foundation will:

- a) Accept planned gifts from donors to either the Foundation or the Health Centre that involve commercial annuity contracts;
- b) Refer the donor to a qualified insurance broker to provide a suitable product for the donor;
- c) Provide continued stewardship functions to the donor;
- d) Maintain copies of all records to ensure proper stewardship and to answer donor questions;
- e) The minimum amount the Health Centre will accept for a reinsured gift annuity is \$50,000;
- f) The cost of the commercial annuity should not exceed 75 per cent of the funds donated.

## 7.5 Residual Interest Gifts

### Description:

A residual interest gift refers to an arrangement under which property is deeded to the Foundation, while the donor retains use of the property for life or a term of years. For example, the donor might give a residual interest in a principal residence and continue living there, or a residual interest in a painting and retain possession of it.

### Guidelines:

- a) The terms of the gift and responsibilities for expenses shall be specified in a deed of gift executed by the donor(s) and the Foundation;
- b) The donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance *and any other costs*, after transferring title to the property unless the Foundation, upon prior approval of the acceptance committee, agrees to assume responsibility for any portion of these items;
- c) The Foundation reserves the right to inspect the property from time to time and to assure that its interest is properly safeguarded;
- d) The donor is entitled to a Receipt from the Foundation for the present value of the residual interest.

## 8. Tax Creditable Gifts

Canada Revenue Agency, 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) A donor transfers some property, usually cash, to a registered charity.
- b) The transfer is voluntary. Any legal obligation on the payor would cause the transfer to lose its status as a gift.
- c) 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 Gifts and estates filing a terminal return are entitled to tax credits that reduce taxes directly.

## **9. Issuing of Receipts**

### **9.1 Charitable Gift Receipts**

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

The Foundation is responsible for:

- a) Issuing receipts specifying the amount and date of the gift and bearing our Charitable Registration number;
- b) Distributing receipts and related gift acknowledgment correspondence for all gifts in a timely manner, preferably within five business days.

### **9.2 Receipt Recipients**

The receipt will be issued 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.

### **9.3 Date of Gift**

The "Date of Gift" 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.

The "Receipt Date," which appears on all receipts, is the date on which the receipt was prepared, unless otherwise indicated.

### **9.4 Replacement of Lost Receipts**

To replace a lost receipt, we can reprint the original receipt, or 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.

### **9.5 Fundraising Events**

Receipts can be issued for the charitable portion of ticket prices for approved fundraising events. To determine the value of the charitable gift 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.

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

### **9.6 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. The Foundation will gladly consider gifts of property such as real estate and gifts-in-kind, provided that an appropriate use exists for the article or that the property is marketable. Real estate would in most cases be sold and the proceeds used at the discretion of the Foundation's board or as directed by the donor. All such gifts are subject to approval by the Foundation in accordance with the Foundation's Gift Acceptance and Recognition Policy, as amended from time to time.

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.
- 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.

### **9.7 Gifts of Service**

Canada Revenue Agency expressly forbids the issuance of receipts for a gift of service.

However, a receipt may be issued when an individual 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 Gift.

### **9.8 Sponsorships**

Sponsors receive marketing and public relations benefits and therefore charitable donation receipts are not issued for sponsorships.

### **9.9 Social Gaming**

While we may raise funds through social gaming activities such as bingos, raffles, and lotteries; donors through social gaming methods are not entitled to receive a charitable tax receipt.

### **9.10 Gifts of Securities and Mutual Funds**

The value of receipts for gifts of securities and mutual funds will reflect:

A careful review of the facts of each situation should be made to determine the "fair market

value". In general, the closing value of the security on the date the assets are transferred to our account electronically or, in the case of stock certificates, the receipt will bear the mid-point between the high and the low value on the day on the day of its receipt. Certificates mailed "first class" or the equivalent will be deemed to have been given on the date mailed.

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.

## 10. Stewardship

### 10.1 Accountability

Gifts and accompanying correspondence are handled with discretion. We maintain records required by CRA 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 not collect contact information and then use it for another purpose. (i.e. names for raffles not for solicitation mailings).
- 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).

### 10.2 Anonymous Donors

Anonymous donors' wishes will be respected and donors will be stewarded according to the donors' guidelines.

Only the Executive Director and the database manager, for the purpose of issuing a charitable receipt and sending other material the donor wishes to receive, will know donors, who want complete anonymity.

Donors may wish to be anonymous only to the public through unpublished materials and internal recognition in which case staff and board members may know their identity.

Donors may wish to be anonymous only to the extent that their names do not appear in published documents or on websites but may still wish to have internal recognition.

When a person asks to be anonymous these terms will be outlined to them.

## 11. Reporting on Gifts

Gifts will be counted and reported as revenue when they are received and when pledges are paid.

Reporting on bequest revenue will take place when a cheque is received from probate. Bequests that we know about and expect in the future will be counted as "Bequest Expectancies". If the dollar value is not known the value assigned will be the average of the historical bequests over the



previous three years.

## **12. Gift Agreements**

The Foundation prefers to work with donors to develop agreements with respect to the name, nature and use of their gifts at the time a gift is made.

For non-testamentary gifts of \$50,000 or more, the donor and the Foundation will sign a mutually agreed upon Gift Agreement. The purpose of a Gift Agreement is to establish a mutual understanding of the purpose of the Gift, the management of the donated funds, the terms of the pledge and the Foundation's responsibility to report the use and results of the gift. It forms the basis of an ongoing relationship between the Foundation and the donor and begins an important stewardship process.

All gift agreements must be reviewed and approved by the Executive Director. Gift Agreements, for amounts exceeding \$250,000.00, may be reviewed by the Gift Acceptance Committee.

## **13. Ethics**

The Foundation's fund development staff will be members of the Association of Fundraising Professionals (AFP) as appropriate and adhere to the AFP Professional Code of Conduct.

## **14. Recognition of Donors**

Gifts will be recognized as discussed with the donor. Recognition for a gift can be given to any individual the donor wishes (within reason). Donors will be asked how they wish their names to be listed and given an opportunity to be anonymous.

Donors may be asked to be interviewed for articles in publications or be featured donors on posters or the website.

### **14.1 Criteria**

The following recognition principles are applicable:

- All Gifts will be recognized at the cumulative level on the static donor wall currently located on the overpass.
- In the case of a pledge, recognition will be provided upon receipt of the signed pledge agreement.
- Gift-in-kind donors will be recognized in the appropriate category, based on the fair market value of the gift.
- In the case of realized bequests, donors will be listed as "Estate of..."
- The Foundation will respect a donor's preference for anonymity.

- Recognition shall be subject to, and consistent with the Winnipeg Regional Health Authority (WRHA) donor recognition policies. The extent of recognition shall be in proportion to the value of the contribution and consistent throughout the facility.
- Recognition of gifts to specific campaigns will be determined in the campaign plan. In general, permanent recognition will be placed at the site of any new construction or capital project.
- Potential donor recognition requirements, such as donor walls, shall be considered at the conceptual and detailed planning stages of new buildings and the re-development of existing ones.
- Misericordia Health Centre leadership and public relations/communications shall be consulted for brand and message consistency for all public recognition within the Health Centre.

#### **14.2 Recognition Levels and Benefits**

Recognition programs are most effective when they are simple, flexible, attractive and multi-tiered. Recognition levels and related benefits must have sufficient diversity to ensure that such levels promote peer recognition of substantial Gifts.

Benefits related to each level reflect the impact of the gift on the Misericordia Health Centre and the importance of the gift to the vision, mission and goals of the institution.

Gifts of \$100,000 and greater will receive customized recognition and personal attention. The Foundation office, in conjunction with the donor, will recommend a personalized recognition and stewardship plan for each such gift. Plans may also be developed for donors of amounts below \$100,000 on a case-by-case basis.

Static donor recognition and donor naming opportunities will be planned in consultation with the Misericordia Health Centre. See Appendix C for a chart of donor recognition.

#### **14.3 Naming Opportunities**

The Foundation Board, in conjunction with MHC senior leadership, Manitoba Health and WRHA donor recognition policies, will determine the appropriate gift level to secure a naming opportunity.

Naming of buildings will be done within Manitoba Health and WRHA guidelines that state the WRHA must approve.

No name shall be approved, or once approved continued that will imply the endorsement of a political party, an ideological position or a commercial service or product. This does not preclude the naming opportunity of an individual who has at one time held public office or the name of an individual or the name of a company that manufactures, distributes or provides commercial service or products.

The Foundation may negotiate with the donor to determine the duration of the naming or other recognition. In the event of changed circumstances, such as when a facility no longer exists, the Foundation may designate the donor's name on another similar facility after receiving a unanimous recommendation from the Gift Acceptance Committee.

## **15. Return of a Gift**

In special cases, such as the cancellation of a construction project, CRA may allow the return of donated funds to the donor as outlined in CRA's [Guidance CG-016, Qualified donees - Consequences of returning donated property](#) . However, complex legal considerations (going beyond income tax considerations) can apply to the return of Gifts and legal advice should be sought as may be required.

**Appendix A: Unacceptable Gifts**

The Gift Acceptance Committee will use, but not be limited to, the following indicators as a guide in determining if it is in the Foundation's best interest to decline a potential gift. It is acknowledged that other considerations may be relevant in particular situations.

Gifts will not be accepted by the Foundation that:

1. Violate any federal, provincial or municipal law;
2. Create any fund with restrictive clauses that would violate The Human Rights Code (Manitoba), or that reserve to the donor or his/her representative the right to designate the recipient;
3. Commit the Foundation to name a program, endowment fund, or other entity without prior approval of the Foundation Board, in consultation with the Health Centre Board if appropriate;
4. As a condition thereof, require any action on the part of the Foundation, which is unacceptable to the Foundation or violates Foundation or Health Centre policies and regulations;
5. Require or stipulate the future employment at Health Centre or the Foundation of any specified person or doing business with any specified company or person;
6. Contain unreasonable conditions;
7. Are gifts of partial interest in property, unless the Foundation agrees otherwise;
8. Are financially unsound or that would expose the Foundation to liability or embarrassment;
9. Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

## Appendix B: Bequests in Wills Language

### Wills

#### Suggested language for Bequests

This information has been prepared to assist individuals considering a bequest and legal and other financial professionals when acting for clients who wish to make gifts by will to Misericordia Health Centre Foundation Inc. (the Foundation) located in Winnipeg, Manitoba, Canada. The suggested wording is intended as an example that can be amended to suit the particular circumstances of benefactors.

It is strongly recommended that benefactors seek legal advice when incorporating a charitable bequest into their estate plans. This will make certain that the clause chosen is properly placed in the overall structure of the will, thus ensuring the gift will be valid.

#### Suggested Bequest Language:

*I give, devise and bequeath to Misericordia Health Centre Foundation Inc., a registered charity located in Winnipeg, Manitoba, the sum of \$\_\_\_\_\_ (or: \_\_\_\_\_ percent of the residue of my estate and or other personal property appropriately described) to be used as its Board of Trustees shall deem advisable to advance the Foundation's mission.*

*I direct my Executor or Trustee to pay such sum to Misericordia Health Centre Foundation Inc. expressly for that purpose. Acknowledgement by the Executive Director or designate of the Foundation shall be a good and sufficient discharge to my Executor or Trustee, who shall not be bound to see to the application thereof.*

#### Bequests with Special Instructions:

**Endowment:** If you intend your bequest to be endowed, please include the following:  
*The capital and income therefrom is to be administered in accordance with the Investment Policies and Objectives of Misericordia Health Centre Foundation Inc. as amended from time to time.*

#### Bequests Intended for a Specific Purpose:

If you wish your bequest to be used for a specific purpose, please contact Misericordia Health Centre Foundation Inc. to ensure that your intentions can be fulfilled and to discuss suggested wording specific to your bequest.

It is recommended that the following clause be included in all bequests with specific instructions for the use of the funds:

*In the event that circumstances make the specified use or purpose of this gift no longer practical or desirable, Misericordia Health Centre Foundation Inc. is hereby authorized to make changes in its use in keeping as close as possible with the spirit and general intent of the gift.*