

Intent

The *Project Watershed Gift Acceptance Policy* serves to provide clarity to donors and staff members on gifts and donations that will help the Comox Valley Project Watershed Society (Project Watershed) achieve our organizational mission and goals. Funds from individual donors, local businesses, foundations, and larger organizations are an important source of support for Project Watershed, and this policy applies to those donations.

In addition to this policy, potential donors can refer to other, related policies which guide our approach to working with donors and supporters (e.g. *Donor Relations Policy*).

Responsibility to Donors

Project Watershed has an ethical responsibility to the donor. Accordingly, professional staff, volunteers and members of the Board will adhere to the following principles:

- ▶ **Conflict of Interest:** In all matters involving the donor, the interest and well-being of the donor must take priority. In cases of potential conflict of interest those acting on behalf of Project Watershed must declare the conflict and allow an impartial individual to act for Project Watershed. A conflict of interest is deemed to occur when individuals who present themselves as representatives of Project Watershed 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 planned gifts for Project Watershed, no conflict would exist. Further, all matters related to this Gift Acceptance Policy must adhere to Project Watershed's Conflict of Interest Policy.
- ▶ **Legal and Other Professional Counsel:** Project Watershed staff and members of the Board shall in all cases encourage the donor to discuss proposed gifts with an independent financial planner, legal adviser and/or tax adviser of the donor's choice and at the donor's expense, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift. In some cases, Project Watershed may decline a gift if the donor has not obtained independent advice. As a service to the donor, Project Watershed may draft the gift agreement or assist the donor in drafting such document. In these cases, Project Watershed will accept the responsibility for the fees incurred by its own legal counsel if needed. If a potential conflict of interest exists, Project Watershed's legal counsel shall declare such conflict to the donor before proceeding. In

the case of instruments drafted solely by the donor's lawyer, Project Watershed counsel may review such documents before they are accepted.

- ▶ **Ethics:** All staff, volunteers and members of the Board will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. They will inform, serve, guide and otherwise assist donors who wish to support Project Watershed's activities but not pressure or unduly persuade.
- ▶ **Direction of Gifts:** All donors can request to have their gift fully expended and can direct their gift to a specific project. The use of the gift may affect whether it can be expended. On rare occasions, a gift may be declined as a result of the restrictions on the gift.
- ▶ **Documentation:** Project Watershed will develop guidelines for documentation of gifts and their designation to ensure that the donor's wishes are articulated and met. This would usually be done through a gift agreement with the donor.

Types Of Gifts

Project Watershed welcomes gifts and deferred future gifts, consistent with this policy, in the areas of:

- ▶ Cash (i.e. gifts received in cash, cheques, credit cards, electronic fund transfers and payroll deductions)
- ▶ Securities (i.e. shares, bonds, mutual funds)
- ▶ Gifts in Kind (i.e. tangible assets or goods)
- ▶ Bequests (gifts made via estate plan or will)
- ▶ Trusts
- ▶ Real Estate

Criteria For Gift Acceptance

In general, a gift from an individual donor will be acceptable if:

- ▶ Project Watershed has a use or need for the gift or, when there is no immediate need, the gift goes to the area of greatest need;
- ▶ The gift and its accompanying terms are legal;
- ▶ The purpose of the gift is compatible with the work and priorities of Project Watershed;

- ▶ The size and benefit of the gift are deemed by Project Watershed as proportionate to the work and cost required to support or sustain the gift;
- ▶ There does not appear to be a physical hazard, legal or liability concern associated with the gift;
- ▶ There are no restrictions on the gift, except those deemed acceptable by both the donor and Project Watershed.

Project Watershed will endeavour to ensure:

- Ethical practices with regard to privacy and the donor's wishes are consistent;
- The proposed gift is consistent with the organization's and with the Canada Revenue Agency's regulations and guidelines;
- The donor's intent and direction are consistent with Project Watershed's objectives and priorities;
- The donor's intent and direction are clearly understood and documented. When a donor remains anonymous or is unknown, we will do our best to honour the donor's written wishes.

Criteria For Declining A Gift

Project Watershed works with donors to facilitate their efforts to support the organization's work. However, there may be circumstances where it is not reasonable, possible, appropriate, or in the best interest of the organization to accept a gift. Project Watershed may decline a gift that is not consistent with its mission or those which:

- ▶ Violate any federal, provincial or municipal law or human rights;
- ▶ Contain conditions, restrictions, or require action(s) on the part of Project Watershed deemed by its Executive Director or Board of Directors to violate the organization's policies, regulations, financial and reputational integrity, or expose the organization to potential liability, burden or embarrassment;
- ▶ Rely on an appraisal or evaluation provided to the donor by third parties that is perceived to be inaccurate or unreliable;
- ▶ Commit Project Watershed to name an endowment fund, without prior approval of the Executive Director;
- ▶ Require or stipulate the future employment or business relationship at Project Watershed of any specified person, business or company;

- ▶ Are gifts of partial interest in property (i.e., timeshares), unless Project Watershed agrees otherwise;
- ▶ Involve financial or administrative commitments in excess of budgeted items or other obligations disproportionate to the use and value of the gift.
- ▶ The gift exposes Project Watershed to liability or unacceptable risk.

If a gift includes conditions that Project Watershed deems not to be in the organization's best interest, the Executive Director may request that the terms of the gift be revised or may decline the gift.

Recognition Of Donation

Project Watershed respects the privacy of donors and does not share or publicize donors' names without their prior consent. In the case where donors wish to be acknowledged, Project Watershed will recognize the donor consistent with the *Donor Relations Policy*. Certain donations such as a named fund or a gift restricted for specific purposes may require a specific acknowledgement plan be outlined, developed, reviewed and approved by both the donor and by the organization as part of the gift acceptance process. Refer to the *Donor Relations Policy* for further information.

Administration

In the case of all cash gifts of \$25 up to \$5,000, donors will receive a tax receipt for their donation provided Project Watershed receives the donor's full and accurate contact information and address, and that no other stipulations or arrangements impede the timely financial processing of this gift.

For other types of gifts:

- ▶ In the case of cash gifts over \$5,000 and those types of gifts outlined below, Project Watershed will establish any terms and conditions necessary to the acceptance of a gift on behalf of the Executive Director and the donor and/or donor's agent.
- ▶ The final decision to accept or decline a gift rests with the Executive Director, who may defer to the Board of Directors on certain occasions.
- ▶ Tax receipts are provided for all gifts according to guidelines set out by the Canada Revenue Agency.
- ▶ Gifts may be designated where the need is greatest (unrestricted) or for specific programs, purposes or projects (restricted). Upon completion of a project or program for which gifts had been received, what remains of those gifts will be returned or re-allocated, where permitted.

Procedures For Specific Types Of Gifts

Procedures for other specific types of gifts are as follows:

- ▶ **Individual Donors - Cash gifts over \$5,000:** Project Watershed invites donors to outline if they have specific wishes regarding their donation prior to accepting these gifts. The Executive Director will review, document and manage any specific arrangements associated with these gifts. These may be reviewed by the Executive Director before the gift is accepted and receipted.
- ▶ **Grants, Donor Advised Funds and Named Funds over \$5,000:** Project Watershed welcomes foundation grants, donor directed funds and named funds that support its goals and activities. These donations include 15% of the funds be allocated to cover overhead costs (not including direct salary costs), unless otherwise agreed upon by Project Watershed and the donor. Where some grants have a capped max for admin costs (e.g. 10% for certain Federal grants), the capped max will dictate allowable admin costs.
- ▶ **Local Business Donors:** Project Watershed accepts gifts from local businesses and local representatives of companies where the gift meets criteria in this policy. The organization recognizes that many kinds of relationships develop at a local level between staff at some businesses and Project Watershed's employees and programs and that charitable decision-making on the part of local businesses may grow out of locally-based relationships. Before accepting gifts from businesses, the Executive Director will review and approve gifts and any associated requirements, responsibilities, liabilities, or other implications. Overhead costs will be set at the time the gift is made.
- ▶ **Corporate Donors:** Project Watershed welcomes corporate donations. Before accepting gifts from corporate donors, the Executive Director will review and approve gifts and any associated requirements, responsibilities, liabilities, or other implications. Overhead costs will be set at the time the gift is made.
- ▶ **All Other Gifts:** Will be reviewed on a case by case basis by the Executive Director and if necessary, approved by the Board of Directors prior to being accepted by the organization.

Tax Receipting

Project Watershed complies with regulations of the Canada Revenue Agency for issuing tax receipts. Eligible donors who provide Project Watershed with their correct address receive tax receipts for all donations \$25 or greater.



Project Watershed will not issue a charitable tax receipt when:

- The donor receives any direct personal benefit under the arrangement;
- The donor has signing authority over the use of the funds;
- Proprietary rights entitlement accrues to the donor through the use of the funds.

Note: Donors must understand that if the Canada Revenue Agency deems a donor to have received a direct benefit, an individual's charitable tax credit will be denied.

Miscellaneous

If it is necessary, it will be the responsibility of the donor to secure an appraisal (where required) and the advice of independent legal, financial or other professional advisers as needed for gifts made to Project Watershed.

Project Watershed will record a gift received by the organization at its valuation for gift purposes on the date of gift.

Disclaimer: This policy is meant solely to guide Project Watershed donors and staff in the acceptance or rejection of gifts and in their overall administration. It is not meant as any kind of formal or official advice. Donors are encouraged to seek independent legal, tax and accounting advice.