



Gift Acceptance

Purpose

To provide the Guelph Public Library (GPL) staff and members of the Board of Directors and Campaign Cabinet with guidelines pertaining to gift acceptance.

1 Procedure

- 1.1 All donations will be channeled through the Development Department unless the donor is unable to do so for legal reasons.
- 1.2 Wherever reasonable and possible, efforts will be made to accommodate the donor's request to donate towards a specific program, service, project, or a tangible item to support the Library's mission and vision.
- 1.3 In any instance where GPL receives a gift without the direct involvement of the Development Department, the Development Department will be informed of the gift immediately in order to arrange for appropriate acknowledgement and, where required, disposition of the item.

2 General Policies for Accepting Gifts

- 2.1 GPL shall consider the following factors in accepting gifts (including grants and sponsorship):
 - a. Applicable federal and provincial laws and regulations;
 - b. Economic and reputation consequences in accepting a gift;
 - c. Preservation of GPL's tax status;
 - d. Donor or sponsor's alignment with the mission of GPL and the ultimate benefit to the community served by GPL;
 - e. Any restrictions or conditions on the gift and the implications thereof on the fulfillment of GPL's mission; and

- f. Projected costs associated with accepting, administering, and eventually disposing of a gift so that it may be used by GPL to support its mission.
- 2.2 The CEO of the Guelph Public Library, or designate, has authority to accept or decline gifts on behalf of GPL.
- 2.3 Each gift must be scrutinized to determine whether it is treated as a donation or a contribution:
 - 2.3.1 **Donations:** A donation is a philanthropic gift in which no tangible benefit is afforded to the donor outside the scope of the Naming & Recognition Policy. A charitable tax receipt is issued for all eligible donations, unless requested otherwise by the donor.
 - 2.3.2 **Contributions:** In keeping with CRA regulations, the following transactions do not constitute philanthropy and are not eligible for charitable tax receipts:
 - i. Sponsorship;
 - ii. Sale or gifts of service;
 - iii. The purchase of an item or service from GPL;
 - iv. Fees paid on behalf of program participants;
 - v. Lottery, draw or contest tickets; and
 - vi. A gift of debt from a person or partnership, or a share of a capital stock of a corporation that does not deal at arm's length with the charity.
- 2.4 Recognition associated with donations and contributions is outlined in the Naming & Recognition Policy and should be documented in the gift agreement.
- 2.5 Tax receipts are issued as soon as possible after the gift is received, with a goal of sending all receipts within 5 business days of receipt of the gift. Receipts for gifts made through Canada Helps will be receipted automatically by Canada Helps at the time of the gift. Receipts for recurring contributions (i.e. monthly donations) are issued directly by Canada Helps. The CRA Charitable Donation Receipt for Income Tax purposes (tax receipt) is a declaration of the value of the gift, date of the gift, name of the donor, and whether the gift is in-kind or cash. A phone call or email acknowledging the receipt of a contribution should also be issued within 48 hours of receipt.
- 2.6 All donations and contributions to GPL must be recorded in the donor database as per the rules and standards that apply to documenting such information and in keeping with GPL's Privacy Policy.

3 Gift Designation

- 3.1 Donors may choose to have their gift fully expended or endowed, or a combination thereof, and may direct their gift to the area of greatest need, a specific program, activity, or capital improvement etc., provided that:
- a. No benefit accrues to the donor, noting that it is acceptable to give the donor a small token of appreciation and publicly acknowledge their gift;
 - b. No benefit accrues to any person or entity not dealing at arm's length with the donor;
 - c. Decisions regarding use of the donation program rest with GPL, although, where possible, GPL will agree to act in concert with and be respectful of the donor's wishes; and
 - d. On rare occasions, a gift may be declined as a result of the restrictions proposed by the donor. See **Declining Gifts** section below for specific instances where GPL would decline a gift.

3.2 Gift Agreement

A Gift (or sponsorship) agreement is a document signed by the donor and GPL which specifies the terms of the gift, such as the criteria for its use ("the purpose"), restrictions or conditions, and any related naming and/or recognition opportunities to be afforded to the donor or sponsor.

3.3 Endowed Gifts

An endowed gift is a donation made to GPL on the understanding that the principal amount of the donation will be invested, and the earned interest will be used to advance programming and other needs of GPL. The endowment fund for the Guelph Public Library is held by the Guelph Community Foundation, and all donations to the endowment will be transferred to the fund in entirety. Donors can elect to establish a specific named endowment in support of GPL through the Guelph Community Foundation, with minimum funding levels in accordance with Guelph Community Foundation policies.

3.4 Restricted Gifts

A restricted gift is a designated donation or a contribution where the donor has specified how the gift is to be directed. A gift may be "designated" to a particular program or activity.

3.5 Unrestricted Gifts

An unrestricted gift or bequest is an undesignated gift where the donor has not specified how the gift or bequest is to be used.

3.6 Expendable Gifts

Gifts given to GPL that are available for immediate use.

3.7 Third Party Fundraising

GPL is responsible for authorizing and providing guidance to all third-party fundraising initiatives, including processing of all funds raised on behalf of GPL. The Library is not responsible for providing staff resources or materials to support third-party fundraising, and all uses of the GPL brand, logo or other identifying characteristics must receive prior to approval of the GPL CEO. Charitable tax receipts will be issued provided that a list of donors, citing name, address and amount donated is made available to GPL.

4 Formal Review

- 4.1 GPL shall accept, without formal review, gifts consistent with its charitable purposes and bylaws that are not subject to conditions or restrictions.
- 4.2 GPL shall formally review gifts of any type that are subject to conditions or restrictions, such as privately held securities, as well as planned gifts made through insurance policies, charitable gift annuities and charitable remainder trusts to ensure they are consistent with the fulfillment of GPL's charitable purposes, applicable federal and provincial law and GPL's desired tax status. The Deputy CEO, GPL Finance & Audit Committee of the Board, and appropriate legal counsel will be called upon to conduct such reviews.

5 Definition of Gift Types

5.1 Cash and Cash Equivalents

- 5.1.1 Cash gifts are acceptable in any form, including gifts of cash, cheques, money orders, wire transfers, credit card or debit card transactions, electronic fund transfers, payroll deductions or other cash transfer mediums accepted by GPL.
- 5.1.2 Gifts in the form of a cheque should be made payable to: Guelph Public Library.
- 5.1.3 Donors wishing to make a gift by credit card must provide the card type, card number, expiration date, and name of card holder as it appears on the credit card. GPL will not accept credit card payments over \$10,000 due to the added fees charged by the card providers.

- 5.1.4 All gifts of cash, cheques or pledges to individual departments or programs are to be forwarded to the Development Department for processing to ensure donations are acknowledged, receipted, recorded in the data base and donors receive appropriate recognition and stewardship.
- 5.1.5 Tax receipts are automatically issued for all eligible donations, unless otherwise requested by the donor.

5.2 Marketable Securities

- 5.2.1 Marketable Securities are securities that can be easily converted into cash. Examples of marketable securities include publicly traded stocks, commercial paper, bankers' acceptances, Treasury bills and other money market instruments. The administration and receipt of a gift of securities will be facilitated through Canada Helps or the Guelph Community Foundation in accordance with their standard policies and CRA guidelines. The charitable receipt will be issued by the charity receiving the gift of shares, with the net proceeds forwarded to the appropriate Guelph Public Library fund or account.
- 5.2.2 Publicly traded stocks, bonds and other marketable securities may be electronically transferred,
- 5.2.3 GPL's Finance Department will inform the Development Department upon receipt of the proceeds of the gift of shares for recording and acknowledgement purposes.

5.3 Gift-in-Kind

Gifts-in-kind are non-cash gifts (\$100 or more) of tangible or intangible property. Tangible property can fall into two distinct categories, and its value is derived from its physical existence: (a) Objects, such as equipment, software, boats, automobiles etc. or (b) Services, such as providing photography services. Intangible personal property is property that generally cannot be touched and whose value stems from non-physical elements, e.g., patents and copyrights. The acceptance of gifts-in-kind must adhere to guidelines set by the CRA.

- 5.3.1 Gifts-in-kind must be accompanied either by a minimum of one independent appraisal establishing the fair market value of the gift, an invoice, or other documentation satisfactorily establishing the purchase price or current value of the gift;
- 5.3.2 The cost and responsibility for establishing the fair-market value is the responsibility of the donor; Determining fair market value in all cases will be guided by CRA's Gifts and Income Tax;
- 5.3.3 Gifts-in-kind must be in keeping with the direction, mission, and vision GPL;

- 5.3.4 In the event that more than one appraisal is required, and there is a discrepancy between the two valuations of less than ten per cent, GPL will take the average of the two. In instances of a discrepancy greater than ten per cent, GPL will take the lower of the two or the donor may choose to have a third valuation conducted at the donor's expense. In the latter instance, the average of the three values is deemed the fair market value;
- 5.3.5 A charitable tax receipt is issued for the fair market value of the gift (minimum of \$100), either by reference to an appraisal or by depreciating the purchase price based on the age and expected useful life of the gift, net of applicable taxes;
- 5.3.6 A gift-in-kind may be declined if:
 - i. An appropriate fair market value cannot be determined or will result in undue expense to GPL;
 - ii. There are physical or environmental hazards to GPL
 - iii. A suitable location or storage cannot be located for the gift or suitable use determined for the gift;

5.4 Common Types of Gift-in-Kind

5.4.1 Real Estate

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. Where real estate is transferred to a charitable remainder trust, additional requirements of the trustee must be met.

- a. Various factors, including zoning restrictions, environmental factors, marketability, current use, and cash flow, will be considered to ascertain that acceptance of the offered gift is in the best interests of GPL. GPL may authorize an environmental assessment of the property to ensure the real estate does not present a liability to GPL;
- b. The donor shall secure a qualified appraisal of the property at their expense. Unless GPL has reason to believe this appraisal does not reflect the property's true value, a gift 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). GPL, reserves the right to secure its own appraisal and issue a charitable tax receipt based on it;
- c. GPL shall require the donor to present, at the donor's expense, evidence of clear title to the property; and

- d. It is GPL's policy to sell real estate as soon as possible. In rare exceptions, the property may be retained for GPL's investment purposes or for use in accordance with strategic direction of GPL.

5.4.2 Art and Other Cultural Property

Residual gifts of art and other cultural property ("Art") to GPL will similarly undergo a due diligence review and certain conditions may be attached to the acceptance of such gifts, such as, but not limited to the following:

- a. The Art needs to reflect the mission and vision of GPL;
- b. Management of GPL will approve location for the Art;
- c. Satisfactory arrangements as to security and proper maintenance of the Art can be maintained;
- d. One or more appraisals satisfactory to GPL will be obtained at the donor's expense attesting to the authenticity and value of the Art;
- e. GPL may retain the Art or sell it and use the proceeds where they are needed most; and
- f. Insurance naming GPL as loss payee is to be maintained by GPL.

5.4.3 Items Donated by Corporations

If the item is in inventory, the company already obtains an inventory write-off for the item when it is donated, and a business receipt is not necessary. If the item is not in inventory, all of the rules regarding approved appraisals apply.

5.4.4 Services

Gifts of services are not tax receiptable under the Income Tax Act because no property is transferred. If a donor wishes a tax receipt for a gift of service, they may charge GPL, and donate the payment back to GPL, for which a receipt for the outright gift will be issued. Payment of the service invoice may not be contractually linked to the subsequent outright gift, and GPL will follow all standard procurement guidelines in securing services.

5.5 Special Event Revenue

Donations or contributions to special events may be receipted in whole or in part.

- 5.5.1 A donor's participation in a special event hosted by GPL itself, or events hosted by third parties, in support of GPL, is subject to special tax considerations and treatment;
- 5.5.2 Special event gifts are receiptable when there are two components to the gift: payment for a meal and payment for a donation. The receipt value must be equal to the total value of the ticket, less fair market value of the meal, and other benefits of participation;

- 5.5.3 Third party events are defined as events that are organized by supporters of GPL without staff involvement, where the net proceed of these events flow directly to GPL. Tax receipts are not issued the event organizer can provide a detailed breakdown of event revenue by participant, along with event costs. Tax receipts may be issued for third party auctions if the guidelines for gifts-in-kind are followed; and
- 5.5.4 The GPL Development Department is responsible for authorizing and providing guidance to all third-party fundraising initiatives, including receipting and processing funds raised.

5.6 Planned or Deferred Gifts

5.6.1 A Deferred Gift is a gift commitment or arrangement today for delivery to GPL at a future date. Deferred giving is arranging for donations to be made in a way that will benefit both the mutual interests of GPL and the donor, the financial and tax situation of the donor, and the donor's family sometime in the future. The type of deferred gifts to be encouraged includes, but is not limited to:

- a. Bequests: A bequest is a provision in the donor's will, directing all or a portion of the assets from their estate to GPL. There are several types of bequests accepted by GPL:
 - A **specific bequest** provides GPL with a specific sum of money, stated percentage of an estate, or a specific property such as real estate or securities;
 - A **residual bequest** leaves all or a portion of an estate GPL after providing for other beneficiaries;
 - A **contingency bequest** ensures that GPL receives all or a share of the estate in the event of the prior death of certain other beneficiaries; and
 - A **residual bequest subject to life interest** applies when the donor chooses to have GPL receive the bequest following the death of certain other beneficiaries who have use of the assets in the estate for their lifetime.
- b. Upon request, sample bequest language will be made available to donors and their lawyers by GPL to ensure that the bequest is appropriately designated, is deemed acceptable at the time of designation, and that the proper legal title for GPL is used. Donors will be invited to provide information regarding their bequest provision and send a copy of that section of their will which names GPL as a beneficiary.
 - i. A bequest totaling an appropriate value can be used to create a named endowment fund at GPL. Donors are encouraged to

identify proposed recognition names within the context of their will, or to demonstrate their intent via alternate documentation such as a Memorandum of Understanding, signed by the donor and GPL, during the donor's lifetime confirming the donor's wishes.

- ii. During the probate of an estate containing a bequest to GPL, and during the post-death administration of an inter-vivo trust containing dispositive provisions benefiting GPL, the CEO, or their designate, together with the GPL's legal counsel, shall represent GPL in all dealings with the legal counsel and personal representatives of the estate.
 - iii. Any legal, accounting, or other professional fees associated with administration of the estate will be deducted from the gift received. The net value of the bequest will be directed to the purpose specified by the donor.
 - iv. GPL will not provide "professional consultation" to donors in the preparation of their will or become involved in the execution or witnessing of a will in which GPL is named as beneficiary. GPL or GPL staff or volunteers may not be named as executor in a donor's estate.
 - v. A charitable tax receipt will be issued to the estate of the deceased.
- c. Gifts and circumstances not covered by this policy may be considered and are subject to review by the Finance & Audit Committee.

6 Declining Gifts

- 6.1 From time to time, GPL may choose to decline a gift. The following conditions justify such an action, although other situations may also occur:
- a. If the gift constitutes a non-gift as per CRA guidelines (IT-110R3);
 - b. If the gift in any way limits or compromises the values, integrity, or mission GPL;
 - c. The gift could jeopardize GPL's charitable status or relationship with the donor community;
 - d. The gift would expose GPL to an uncertain or potentially significant liability;
 - e. The gift could financially or morally jeopardize the donor and/or GPL and its reputation;

- f. Gifts where GPL is unable to honour the donor's terms, or where GPL is unable to make use of the gift;
- g. Gifts where the donor requires that the gift be tied to an exclusive supplier agreement. Such agreements can only be negotiated through GPL's procurement process;
- h. Gifts that will confer an unwarranted or unmanageable expense upon GPL;
- i. Gifts that are known or suspected to have come from illegal activities;
- j. Gifts that return valuable consideration to the donor (or a designate), such as employment or a contractual agreement;
- k. Gifts for awards that designate a specific recipient, or require the exclusion of, or discriminate against a group or class, unless such exclusion has the effect of favouring one or more designated groups as provided for in an approved affirmative action or equity plan;
- l. An appropriate fair market value cannot be determined, or will result in unwarranted or unmanageable expense to GPL;
- m. There are physical or environmental hazards to GPL in accepting the offered gift;
- n. The gift involves false promises on the part of either party; and
- o. The gift could improperly benefit any individual or entity.

6.2 Payments to GPL that are not considered charitable gifts include:

- a. Fees paid for program registrations;
- b. Fundraising that benefits a designated participant; and
- c. Sale or gifts of services.

6.3 No charitable donation receipt shall be issued for such payments.

7 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 the CRA's RC 4108(E) 1204-Registered Charities and the Income Tax Act. 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.

8 Mechanisms for Settling Disputes

All professional staff, volunteers, and members of GPL's Board of Directors will conduct themselves in accordance with accepted professional standards of accuracy, truth, and integrity, as set out in both the Association of Fundraising Professionals (AFP) and the Imagine Canada Codes of Ethics. They will inform,

guide, and otherwise assist donors, but will not pressure or unduly persuade. Development staff will ensure, to the best of their ability, that donors receive informed and ethical advice about the value and possible tax implications of potential gifts.

9 Ethical Fundraising

All professional staff, volunteers, and members of GPL's Board of Directors will conduct themselves in accordance with accepted professional standards of accuracy, truth, and integrity, as set out in both the Association of Fundraising Professionals (AFP) and the Imagine Canada Codes of Ethics. They will inform, guide, and otherwise assist donors, but will not pressure or unduly persuade. Development staff will ensure, to the best of their ability, that donors receive informed and ethical advice about the value and possible tax implications of potential gifts.

10 Conflict of Interest

In all cases of potential conflict of interest, those acting on behalf of GPL will declare the conflict and allow an impartial individual to act for GPL.

11 Management of Donor records and Confidentiality

11.1 GPL is responsible for the management and maintenance of complete and accurate donor records. GPL will collect, use, maintain, store, disclose, and dispose of donor information in accordance with the Freedom of Information and Protection of Privacy Act, and GPL's Privacy Policy.

11.2 GPL has the authority and responsibility to issue charitable donation receipts for all eligible gifts. GPL will issue a charitable donation receipt for a bequest upon receipt of all related documentation.

11.3 The CEO, or their designate, will ensure the explicit consent of the donor before the conditions of a gift are altered.

11.4 The terms and conditions governing the use of donations are matters of public record, except for information that is personal or proprietary. GPL will respect all donor requests for anonymity to the extent legally possible.

11.5 The CEO, or their designate, will ensure the appropriate stewardship of all charitable donations, including timely reporting on the use and management of funds.

12 Amendments

This policy will be made publicly available for review, and a copy shall be provided to any potential donor requesting it.

This Policy will be reviewed on a regular basis and may be altered from time-to-time in accordance with changes to income tax legislation, CRA policy and/or guidelines related to charitable giving, or GPL policies. GPL is authorized to encourage donors to make both immediate and deferred gifts ("pledges") in accordance with policies to be determined from time to time by GPL.