



Renascent Foundation Inc. Gift Acceptance Policy

CATEGORY: Renascent Foundation	Number: 1.0
SUBJECT: Gift Acceptance Policy	
ISSUED BY: CEO, Renascent Foundation Board of Directors	Date Approved: December 9, 2021

1. Introduction

Renascent Foundation Inc. (referred to as “**Renascent Foundation**”) works in a collaborative manner with Renascent Fellowship towards their shared vision that all individuals, families and loved ones impacted by addiction will have timely access to comprehensive, person-centred and evidence-based treatment. Renascent Foundation raises funds to support addiction treatment, education and recovery.

2. Purpose

This gift acceptance policy (the “**Policy**”) is intended to outline the types of gifts that will be accepted by Renascent Foundation, protocols related to gift acceptance, valuation and receipting, and the restrictions a donor may place upon a gift.

Renascent Foundation is a charitable organization and registered charity under *the Income Tax Act* (Canada) (the “**ITA**”). Many of the laws and regulations that govern charitable giving are set out in the ITA and Canada Revenue Agency (“**CRA**”) policy. The basic laws, rules, and regulations are summarized in this Policy. Renascent Foundation must comply with all applicable laws, rules, and regulations when receiving gifts from donors.

3. Scope

This Policy applies to any and all donations/grants received from prospective and current donors contributing to Renascent Foundation, related to any of Renascent Foundation’s funds, including the general fund, targeted initiatives and/or endowments.

4. General Principles

Renascent Foundation will uphold its integrity, autonomy, and legal and fiduciary responsibilities when accepting gifts. Gifts will not be accepted by Renascent Foundation when a condition of such acceptance would compromise these fundamental principles.

The acceptance of gifts is informed by, and consistent with Renascent Foundation’s strategic objectives, as set by the Board of Directors of Renascent Foundation, and reflected in its



Strategic Plan. Renascent Foundation is responsible for receiving, recording, receipting and recognizing all gifts, in compliance with the ITA and CRA policy.

Renascent Foundation will ensure that administrative and accounting practices relating to the acceptance, reporting and utilization of gifts are in compliance with the law; including that such gifts are receipted in accordance with CRA policy, and are handled and recognized in a consistent manner.

5. Guidelines

Renascent Foundation's decisions will be guided by the following criteria:

- i. Legality – ensuring that all decisions conform to legal requirements of charities including the ITA and CRA policy.
- ii. Consistency – ensuring that all decisions advance the vision, mission and core values of Renascent Foundation.
- iii. Reputation – ensuring that no decision will, or will have the potential to, bring harm to the reputation of Renascent Foundation.

6. Unrestricted and Restricted Gifts

Renascent Foundation shall endeavor to negotiate gifts and gift agreements that do not have restrictions or conditions. Unrestricted gifts will be directed to Renascent Foundation's area of greatest need as determined by the Senior Leadership Team, in alignment with strategic and operational plans approved by the Board of Directors.

In limited circumstances, donors may choose to make a restricted gift and direct their gift to the area of greatest need, program area or specific capital, provided that:

- The restriction is aligned with strategic needs and priorities;
- The restriction furthers the charitable purposes of Renascent Foundation;
- There is no benefit to the donor, noting that it is acceptable to give the donor a benefit of nominal value as described further below;
- No benefit is given to any person or entity not dealing at arm's length with the donor; and
- Renascent Foundation makes decisions regarding the specific use of a donation within a specific fundraising program.

7. Gift Agreements



The Chief Executive Officer of Renascent Foundation or designate is authorized to negotiate gift agreements with prospective donors and their professional advisors in accordance with the guidelines set forth in this Policy.

Renascent Foundation staff shall not make any representations to donors that Renascent Foundation will retain the gifted property or that it will be subject to any restrictions on how it is used, other than conditions specifically agreed upon in writing with the donor in the gift agreement. All of the terms of the gift will be set out in the gift agreement between the donor and Renascent Foundation. The gift agreement will provide that the conditions related to the gift may be altered or amended, as needed, with this power to amend being subject to any terms contained in the gift agreement that describe how amendments can be made.

8. Types of Gifts Accepted

Renascent Foundation is authorized to encourage donors to make both outright and deferred gifts. These include cash, publicly-traded securities, bequests, gift annuities, charitable remainder trusts, life insurance policies, and such other gift arrangements as the Board of Directors may approve from time to time.

Renascent Foundation may consult with its tax, legal and other advisors prior to the acceptance of any gift.

(a) Gifts of Cash

Renascent Foundation accepts gifts of cash by cheque, electronic fund transfer or credit card.

A donor may complete a gift in a single transaction or make a pledge to be paid over a period of time that is mutually acceptable to the donor and Renascent Foundation.

(b) Gifts in Kind (Non-Cash Gifts)

Gifts in kind are gifts of property including artwork, equipment, automobiles, securities, and cultural and ecological property, among others. A contribution of services (i.e., time, skills or efforts) does not constitute a gift in kind.

Renascent Foundation may accept gifts in kind that can be used by Renascent Foundation or readily sold for Fair Market Value (“**FMV**”), provided the following factors are satisfied:

1. For gifts less than \$1,000, Renascent Foundation or its affiliates have a regular need for the item or the item has been specifically requested; or



2. For gifts greater than \$1,000, the gift has been specifically requested or the gift has been explicitly authorized by the Chief Executive Officer of Renascent Foundation.
 - i. Appraisal of certain gifts greater than \$1,000 must be conducted by a verified member of the Appraisal Institute of Canada – Ontario (AIC-ON) is the provincial association of the Appraisal Institute of Canada (AIC) within Ontario.

(c) Bequests

Renascent will encourage bequests as its highest legacy giving priorities.

A bequest may be manifested as a transfer of cash, securities or other property through a testamentary document.

Renascent Foundation will make available sample bequest language for restricted and unrestricted gifts, including endowments, to donors and their legal advisors to ensure that the bequest is properly designated. Donors will also be invited to provide information about their bequest provisions and, if they are willing, to send a copy of the relevant section of their Will naming Renascent Foundation. Renascent Foundation will generally accept both restricted and unrestricted bequest gifts and shall manage those gifts in accordance with the donor's wishes.

In order for a gift to be restricted, the testamentary document must clearly indicate the restriction. In the case of ambiguous language, or in the case where the restriction cannot be fulfilled by Renascent Foundation, Renascent Foundation senior management will consult with its legal advisors to determine the appropriate course of action, including the potential rejection of the gift.

If the bequest gift is without restrictions, Renascent Foundation will designate its use and purpose having full discretion over the treatment of the gift, including how and when it is used.

During the estate's probate period and the subsequent administration of the estate, Renascent Foundation, in consultation with its legal counsel, shall ensure that it is appropriately represented in all dealings with the legal advisor and/or executors/trustees of the estate.



Renascent Foundation will, if permitted by law, issue an official donation tax receipt for the bequest in accordance with the rules in the ITA and CRA policy in effect at the time of the gift, and only upon receiving the gift. No receipt will be issued at the time the Will is made.

(d) Gift Annuities

A gift annuity is a contractual arrangement whereby a donor transfers an asset to Renascent pursuant to an agreement authorizing Renascent to purchase a commercial prescribed annuity that will pay a stipulated amount for the life of the annuitant(s) or for a term of years. Assets in excess of the amount required for purchase of the commercial annuity are retained by Renascent and used for purposes specified by the donor and acceptable to Renascent. Alternatively, the donor may work directly with an insurance company to purchase the annuity.

Determination of the gift receipt and taxation of annuity payments will be in accordance with CRA policy.

The minimum gift that Renascent will accept for a gift annuity is \$20,000. The cost of the commercial annuity should not exceed 75% of the assets transferred to Renascent.

(e) Charitable Remainder Trusts

A charitable remainder trust is a residual interest gift where the donor (settlor) transfers property to a trustee who holds and manages the property. The donor and/or other named beneficiary receives the net income from the trust after payment of all expenses. When the trust terminates (either at the death of the beneficiary/ies or after a term of years), the trust remainder is distributed to Renascent. If the trust meets all of the requirements to be a charitable remainder trust at law, the donor is entitled to a gift receipt for the present value of the residual interest. Renascent will consult with its legal and tax advisors prior to issuing a tax receipt for the present value of the residual interest.

A charitable remainder trust may be funded with cash or securities.

The value of the trust must exceed \$100,000.

The trust agreement shall be drafted and reviewed by the donor's legal advisor. Renascent may provide prototype language to the donor's legal advisor but shall execute no agreement until the donor's legal advisor has determined that the trust agreement is in proper form and that the gift is appropriate for the donor's situation.



Renascent Foundation will not serve as trustee of a charitable remainder trust. Donors who wish to establish such trusts will be advised to name a trust company, or other qualified trustee, to manage the trust.

(f) Life Insurance

There are various methods by which a life insurance policy may be contributed to Renascent Foundation. A donor may:

- i. Assign irrevocably a paid-up policy to Renascent;
- ii. Assign irrevocably a life insurance policy on which outstanding premiums remain to be paid; or
- iii. Name Renascent as a primary or successor beneficiary of the proceeds of an existing or new policy.

Prior to accepting any gift of life insurance, Renascent Foundation shall obtain a detailed illustration of the proposed insurance policy and conduct an independent review of the policy.

In the event a policy is assigned on which premiums remain to be paid, Renascent Foundation will pay the premiums if and only if the donor makes equivalent contributions for that purpose. This can be achieved by either paying the premiums directly to the life insurance company, or by donating directly to Renascent for the equivalent of the premium payment. In the latter case, Renascent will then make the premium payment directly to the insurance company.

For policies where ownership has been assigned, Renascent Foundation reserves the right to continue with premium payments if the donor is unwilling or unable to do so. Renascent Foundation reserves the right to lapse or surrender the policy for cash if the donor is unable to maintain future payments, or if the policy is at risk due to changes in dividend scales, or other unexpected events.

Any gift of life insurance is subject to Renascent Foundation's comprehensive procedures for the oversight and administration of insurance policies.

(g) Real Estate

Renascent Foundation may accept gifts of real estate.

The donor shall secure at least one qualified appraisal of the property. Renascent Foundation will also obtain an independent appraisal, and reserve the right to obtain multiple appraisals.



Renascent Foundation shall satisfy itself that the donor has clear title to the property. Renascent Foundation shall review other relevant factors including zoning restrictions, marketability, current use and cash flow in order to evaluate whether the acceptance of the gift would be in the best interests of Renascent Foundation.

If the real estate possibly contains toxic wastes, the donor shall secure an environmental audit and provide the results to the Board of Directors of Renascent Foundation. Renascent Foundation will agree to accept the property if and only if it contains no toxic or otherwise harmful substances, or if these substances are removed or other remedies taken to ensure that Renascent Foundation assumes no liability.

(h) Private Company Shares

Generally, Renascent Foundation does not accept donations of private company shares, partnership interests or any form of complex security. Consideration may be given on a case-by-case basis in the event that there is a proposed liquidation event concerning the asset within 30 days following the date of gift.

(i) Tax Shelters

As a general rule, Renascent Foundation does not accept gifts from tax shelters or otherwise participate in tax shelter arrangements. However, Renascent Foundation may consider receiving gifts from tax shelter arrangements that have received positive advance income tax rulings from CRA or otherwise are found to be compliant with the ITA (e.g. certain flow-through share donation arrangements).

9. Approval Requirements

Unrestricted gifts of cash and publicly traded securities may be accepted in the ordinary course. All other gifts noted above require the approval of the Chief Executive Officer of Renascent Foundation or their designate.

10. Gift-Related Costs

Gift-related costs such as legal fees, appraisals, real estate commissions, and taxes relating to acceptance, maintenance, management or re-sale of a gift of property may reduce the impact and value of a gift. Renascent Foundation works with donors to ensure that costs to the greatest extent possible are minimized. Costs are generally the responsibility of the donor, the donor's successor(s) or representative(s), or the donor's estate, depending on the



circumstances surrounding how the gift is made Renascent Foundation may pay all or a portion of gift-related costs in certain circumstances at its discretion.

11. Recognition

Renascent Foundation shall consider the need to appropriately recognize donors and will develop donor recognition practices consistent with this Policy and other policies of Renascent Foundation.

12. Rejection of Gift Offers

Renascent Foundation reserves the right to decline any donation if it fails to meet:

- ITA and CRA requirements, policies, and guidelines on donations;
- The objectives, mission and values of Renascent Foundation; and/or
- The values expressed in the Charter of Rights and Freedoms and in applicable human rights legislation; or
- The requirements of this Policy and such other policies of Renascent Foundation in place from time to time.

Renascent Foundation may also reject gifts that, in the opinion of Renascent Foundation:

- Have donor specified conditions such as an expectation of reciprocal benefit such as an offer of employment or a contract with Renascent Foundation;
- Require Renascent Foundation to assume additional responsibility or specific liability;
- Present a potential or actual conflict of interest or conflict of conscience;
- Contain considerations that are inappropriate or which Renascent is unable to fulfill;
- Have unacceptable conditions or limitations;
- Support programs or activities that are peripheral to the mission of Renascent; or
- Present any other liability risks to Renascent Foundation.

Renascent Foundation will not engage in any of the following practices:

- Accepting gifts that violate federal, provincial or municipal laws
- Accept gifts that require Renascent Foundation to provide special or unlawful consideration for the donor or designate
- Accepting gifts that require Renascent Foundation to deviate from its normal hiring, promotion and contracting procedures

13. Receipting



(a) Official Donation Receipts

In order to issue an official donation receipt, Renascent Foundation must receive a gift. At law, a gift is defined as a voluntary transfer of money or property for which the donor expects and receives nothing of value in return. If the donation is considered a gift, Renascent Foundation can, in its sole discretion, issue an official donation receipt to the donor for the Eligible Amount of the gift.

Official donation receipts may be issued automatically for a minimum donation of \$25. Donors making donations below this amount may receive an official donation receipt upon request.

If a donor makes a series of cash donations, Renascent Foundation may issue a single receipt for the aggregate cash donations in the year and the receipt will list the year in which the cash donations were received.

(b) Split Receipting

Split receipting is the method used to calculate the Eligible Amount of a gift for receipting purposes when the donor has received an advantage (consideration) in return for his or her donation. The advantage is generally the total value of any property, service, compensation, use or any other benefit that the donor is entitled to as partial consideration for, in gratitude for, or in any other way related to the gift.

Where a donor receives a benefit of a nominal value as defined by CRA policy (lesser of \$75 or 10% of the FMV of the gift) an official donation receipt may be issued for the full amount of the gift. Alternatively, where the benefit received by the donor (advantage) exceeds the CRA nominal value threshold, then the amount of the official donation receipt will be reduced by the value of the benefit received (i.e., the FMV of the advantage). Where the FMV of the benefit received in return for the donation is greater than 80% of the FMV of the donation, an official donation receipt will not be issued.

For example, there may be instances when a portion of the ticket paid for a fundraising event may be eligible for an official donation receipt. Renascent Foundation will determine the Eligible Amount of the gift (i.e., the receiptable portion of the ticket) based on the above guidelines.

(c) Gifts for Which a Receipt May not be Issued

As per CRA policy, the following are not generally considered gifts and are not eligible for official donation receipts, among others:



- a gift of services;
- the purchase of an item or service from Renascent Foundation;
- advertising or sponsorship;
- lottery, draw or contest tickets;
- 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.

(d) Receipting of Corporate Gifts

Corporations may support Renascent Foundation in two ways: (1) by giving a corporate gift, which must be a gift at law; or (2) through sponsorship. Renascent Foundation may issue an official donation receipt for a corporate gift. Acceptance of sponsorship arrangements shall be subject to a separate policy of Renascent Foundation.

14. Gift Valuation

(a) Cash

For gifts of cash, the FMV is simply the cash value of the gift (i.e., the amount of cash gifted). Note that currency exchange rates may impact the cash value. Year-end gifts will qualify for current tax-year official donation receipts if they are postmarked in the current calendar year or officially received within the current calendar year.

(b) Publicly Traded Marketable Securities

If the donated share is listed on a designated stock exchange (one that is publicly traded), Renascent Foundation can issue an official donation receipt for the FMV of the gift on the date it was donated (i.e., the date the transfer of ownership takes place.)

As a general rule, the date of a donation of electronically transferred shares is the date the shares were received in Renascent Foundation's account or its broker's account.

For purpose of issuing official donation receipts, Renascent Foundation's policy is to assess FMV according to the closing bid price on the Toronto Stock Exchange or the relevant exchange where the security is traded on the date it is received in Renascent Foundation's account or its broker's account, unless factors such as the trading volume suggest that the closing bid price is not the FMV of the security.

(c) Gifts in Kind (Excluding Securities)

If the FMV of a gift is \$1,000 or less, a qualified staff member of Renascent Foundation can take



steps to determine the FMV of the gift (the process for determining the FMV of a gift is described in further detail below).

If the FMV of the gift is over \$1,000, the property must be appraised by someone who is independent from Renascent Foundation and the donor. The appraiser must be competent and qualified to evaluate the particular property. The appraisal must be addressed to Renascent Foundation for its use in respect of the gift. The donor shall bear the costs for an appraisal of the property, unless otherwise approved by Renascent Foundation.

If the FMV of the gift or advantage cannot be determined, Renascent Foundation is not permitted to issue an official donation tax receipt by the ITA.

The FMV of donated goods is determined at the time that the donation is made. The time of the donation is usually the time that the gift is physically received. For deaths on or after January 1, 2016, a gift by Will is deemed to be made when the gift is transferred to Renascent Foundation. For deaths occurring on or before December 31, 2015, a gift is deemed to be made immediately before death.

Generally, where property is donated (other than donations by Will):

- (d) within three years of the donor acquiring the property;
- (e) within ten years of the donor acquiring property if the donor had an intention to gift the property to charity; or
- (f) where the property was acquired through a tax shelter,

the fair market value of the gift is deemed to be the lesser of the FMV and the adjusted cost base (generally defined as the donor's original cost of acquisition of the property adjusted for certain factors including additional investment costs). There are certain limited exceptions to this rule.

Gifts in kind which do not require a charitable receipt can have a business receipt issued as appropriate. However, although these receipts are not required to adhere to CRA regulations, similar valuation criteria should be applied.

(g) Planned or Deferred Gifts

Bequests are valued as cash, marketable securities or gifts in kind in the manner described above. Gifts of securities arising from a bequest shall be valued in accordance with existing CRA policy.



For gifts of insurance, if Renascent Foundation is named both the beneficiary and irrevocable owner of the policy, a gift is recorded at the cash surrender value or FMV of the policy on the date that it is given. If the donor pays premiums on such a policy, these payments will be recorded as a gift at the cash value of the payment. If the donor wishes the policy to be valued at its FMV, the donor shall obtain an independent actuarial valuation. It is at Renascent Foundation's discretion to accept this valuation. Renascent Foundation also reserves the right to retain its own valuation.

15. Confidentiality

Renascent Foundation staff will be held to a level of confidentiality as it relates to discussing Renascent Foundation's relationship with its donors. Unless otherwise agreed upon, Renascent Foundation will treat sponsorships/gifts as public knowledge, but will make every reasonable effort to comply with donor requests regarding confidentiality. Donor wishes and privacy will be respected at all times. Renascent Foundation does not identify or comment publicly on specific donor contributions without the expressed consent of the donor.

Donor names, together with donation amounts, are kept on a privileged and confidential basis and are protected from disclosure unless permission is given by the donor or there is a statutory requirement for disclosure.

16. Anonymity

Renascent Foundation respects any donor's wish for anonymity. However, donors must recognize that under specific circumstances, Renascent Foundation may be legally required to disclose the identity of the donor and the type and value of the gift and must therefore retain the right to do so.

17. Legal and Tax Advice – Independent Counsel

Renascent Foundation does not provide legal or tax advice. However, staff should be able to discuss the general legal and tax ramifications of a donor's gift. Donors should be advised to seek independent counsel.

When a donor is considering making a significant or complex charitable gift, it is the responsibility of 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 he or she receives a full and accurate explanation of all aspects of the proposed charitable gift. Renascent Foundation may decline a gift if the donor has not obtained independent advice.

18. Return of Gift

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In most cases, as per CRA guidelines, a registered charity cannot return a donor's gift. If Renascent determines that it cannot use a gift to fulfill a donor's wishes every effort will be made to best meet the donor's objectives while furthering Renascent Foundation's charitable purposes.

Where Renascent Foundation has received a gift from a donor with whom it no longer wishes to be associated because of illegal acts or behavior deemed to be unfavorable to the reputation of the Renascent Foundation in consultation with the Board, will determine how to best dispose of the gift in keeping with the ITA and CRA policy.

19. Ethics

All promotions, solicitations and decision-making by Renascent Foundation will be guided by external standards and regulations for ethically responsible behaviour by charities.

Renascent Foundation has an ethical responsibility to every donor and as such all staff, volunteers and professional representatives acting on behalf of Renascent will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. Renascent subscribes to the Donors' Bill of Rights professional standards and code of behaviour as set out by the Association of Fundraising Professionals, and the Canadian Association of Gift Planners to serve as the ethical guidelines when raising funds for Renascent Foundation.

All Directors, volunteers and employees will conduct themselves in accordance with Renascent Foundation's Code of Conduct & Ethics and will apply accepted professional standards of accuracy, truth and integrity in all fundraising activities. They will inform, serve, guide and otherwise assist donors who wish to support Renascent Foundation's activities but not pressure or unduly pursue.

20. No Commissions

Renascent Foundation does not hire third-party – is this true? We have a third party fundraiser right now or commission-based fundraisers. Renascent Foundation employees are compensated by a base salary or hourly wages and customary employee benefits. Renascent Foundation does not pay finders' fees, commissions or other payments based on philanthropic contributions received or funds raised.

21. Complaint Resolution



Renascent Foundation will respond promptly to a complaint by a donor or prospective donor on any matter that is addressed by this Policy, in accordance with the policies and procedures outlined in Renascent Foundation's *Complaints Policy for Members of the Public*.

22. Amendments to the Policy

Changes to the laws, rules, and regulations that apply to charitable giving and Renascent Foundation may affect the contents of this Policy. This Policy is subject to amendment from time to time by Renascent Foundation.



DEFINITIONS

Eligible Amount

The difference between the FMV of the property gifted to the charity by the donor and any advantage received by the donor.

Fair Market Value (“**FMV**”)

The highest price that the property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are knowledgeable, informed, prudent, and acting independently of each other. FMV does not include any amounts paid or payable to other parties, such as commissions to sales agents or sales taxes like GST or HST.

Restricted Gifts

Gifts, given to Renascent, where the donor has specified that the gift is subject to restrictions, limitations, conditions, directions or other restricting factors.

Sponsorship

Sponsorship occurs when a business donates toward the cost of a charity’s activity or event and, in return, the charity advertises or promotes the business’s brand, products or services.

Marketable Securities

A donation in the form of a transfer of ownership of publicly-traded securities which are received electronically or by physical share certificate.

Unrestricted Gifts

Gifts where the donor has not placed any restrictions on the use of the gift.