

# **Salt Spring Island Conservancy**

Policy Manual

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## **Subject: Gift Acceptance and Disposition Policy: I. General Principles**

**Date Passed: June 19, 2008**

The Salt Spring Island Conservancy welcomes the offer of gifts that support the pursuit of its mission.

A gift is a voluntary transfer of property without expectation of return. No consideration (no benefit of any kind) to the donor or to anyone designated by the donor, may result from the payment. The only exception to this is under some circumstances when split-receipting is allowed.

### **Types of Gifts**

The Salt Spring Conservancy Association will encourage and consider accepting the following outright and deferred gifts:

Outright gifts are those gifts that are donated to the Conservancy in the donor's lifetime. These include:

- Cash (e.g., outright gifts of cash, cheques, credit cards, electronic funds transfers, and payroll deductions)
- Securities (e.g., stocks, mutual funds)
- Gifts-in-kind (e.g., artwork, cultural property, and other tangible property/assets)
- Life insurance policies
- Gifts of real estate (both ecological and non-ecological land)

Deferred gifts are those gifts that are received by the Conservancy at the time of the donor's death. These include bequests, life insurance proceeds, charitable gift annuities, remainder trusts, and gifts of residual interest.

### **Information on Proposed Non-Cash Gifts**

Before deciding to accept a gift, the Conservancy will determine relevant information about the gift, which may include:

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

### **Determination of Gift Acceptance**

The negotiation and development of terms and conditions relating to gifts is to be coordinated through the Conservancy's Board of Directors (or designated staff or committee) and the donor and/or donor's agent. The final decision to accept or decline a gift rests with the Board of Directors.

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The Board will seek to ensure:

- the proposed gift is consistent with Conservancy and legislated regulations and guidelines
- the donor's intent and direction is consistent with Conservancy objectives and priorities
- the donor's intent and direction is clearly understood and documented
- the gift does not expose the Conservancy to a potentially significant liability
- that if precedent-setting or sensitive issues are present, they are adequately assessed by the Board of Directors
- that the proposed gift has received the appropriate Board review and approval.

Indicators that a gift is acceptable include:

- The Conservancy has a use or need for the gift or, when there is no immediate need, the gift is marketable.
- The gift and its accompanying terms are legal.
- The purpose of the gift is compatible with the work/priorities of the Conservancy.
- The size and/or benefit of the gift is proportionate to the work or cost required to support or sustain that gift.
- There does not appear to be a physical hazard or liability concern associated with the gift.
- Restrictions on the gift are acceptable.

Ownership of all gifts directed to the Conservancy vests in the Conservancy, whether said gifts are for the benefit of the Conservancy generally or for some specific purpose. The exception to this is gifts held in the Conservancy's Endowment Fund, owned by the Victoria Foundation.

### Unacceptable Gifts

The Conservancy has the right to decline any gift that is not consistent with its mission. When the gift offer includes conditions that the Conservancy judges not to be in the Conservancy's best interest, the Board of Directors (or designated committee) may request that the terms of the gift be revised or may decline the gift.

The Conservancy will not accept gifts that:

- Violate any international, federal, provincial or municipal law
- Compromise the Conservancy's integrity or interfere with the Conservancy's judgment
- As a condition thereof, require any action on the part of the Conservancy which is unacceptable to the Conservancy or violates Conservancy policies and regulations
- Contain unreasonable conditions
- Are financially unsound or that would expose the Conservancy to liability or embarrassment
- Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

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- Commit the Conservancy to name an endowment fund, without prior approval of the Board
- Require or stipulate the future employment at the Conservancy of any specified person or doing business with any specified company or person
- Are gifts of partial interest in property, unless the Conservancy agrees otherwise

### **Charitable Tax Receipts**

The Conservancy will comply with regulations of the Canada Revenue Agency for issuing tax receipts. The Conservancy 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
- the use of the funds is restricted to specific individuals
- participation in a program or activity is limited to and defined by the donor(s) wishes. This does not preclude donors supporting existing Conservancy programs.
- proprietary rights entitlement accrues to the donor through the use of the funds

**Note:** Donors will be informed that should the Canada Customs and Revenue Agency (CCRA) deem the donor to have received a direct benefit, an individual's Conservancy tax credit will be denied.

### **Disposition of Gifts in Kind**

In the case of gifts-in-kind, unless otherwise agreed, the Conservancy may dispose of gifts under the following guidelines:

- The proceeds of a sale of the asset will benefit the Conservancy's programs and activities for whose benefit the gift was originally given.
- In the absence of such a beneficiary, the Conservancy Board of Directors will direct the proceeds.
- On the completion of a project or program for which gifts had been received, those gifts will be disposed or re-allocated.