



CHARTERED PROFESSIONAL ACCOUNTANTS
OF MANITOBA FOUNDATION INC.

Chartered Professional Accountants of Manitoba Foundation Inc.

Gift Acceptance and Gift Disclosure Policies

Review Date: February 2023

Gift Acceptance and Disclosure Policy

About Us

The Chartered Professional Accountants of Manitoba Foundation Inc. (the Foundation) was established on July 1, 2015 with the purpose of supporting and funding the pursuit of quality business and accounting education.

The Foundation is incorporated under *The Corporations Act of Manitoba* and is a registered charity under the *Income Tax Act*.

The Foundation has created both mission and vision statements which this policy is intended to support.

Introduction

In keeping with the CPA Manitoba Foundation values and goals, and with Canada Revenue Agency (CRA) policy, the purpose of this policy is to:

- Summarize general policies relating to charitable gifts made to the Foundation; and
- Identify the types of various gifts and the guidelines related to acceptance of such.

The policy is designed to provide guidance to facilitate the gift-giving process to CPA Members, the public, CPA Manitoba Foundation staff, and the Foundation Board. It clarifies the roles, responsibilities and expectations of both the Foundation and its donors.

For the purposes of this policy, capital is defined as the original donors' contributions or any subsequent contributions thereafter. This does not include reinvested income, with the opportunity to spend down the endowment. A donor may encroach on capital should they desire to do so.

Gift Acceptance Policies

The following is a listing of gifts deemed eligible for acceptance by the Foundation. A more detailed description is found in Appendix A.

- Gifts of cash, credit card, cheques or securities
 - Gifts-in-kind
 - Charitable bequests
 - Life Insurance
 - Endowments
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- A. The Foundation will not accept gifts that violate federal, provincial or municipal laws.
 - B. The Foundation Board reserves the right to decline any gift that is not consistent with the Foundation's mission; cost-benefit implications relating to administrative time and marketability of a gift; or other factors agreed to by the Board.
 - C. The Foundation will accept a gift of service, but is not able to provide a charitable receipt for the service.
 - D. Donors are encouraged to discuss any proposed gift with independent legal and/or tax advisors of the donor's choice, to ensure a donor receives a full and accurate explanation of all aspects of any proposed charitable gift.
 - E. Persons acting on behalf of the Foundation shall inform, serve, guide or otherwise assist donors who wish to support the Foundation's activities.
 - F. Donors may complete a gift in a single transaction or over a period of time. Gifts over time (pledges) will require a signed commitment from the donor.
 - G. The Gift Acceptance Policies may be amended at any time with a majority vote of the Foundation Board.

- H. The responsibility to accept gifts lies with the CPA Manitoba Foundation's Board of Directors (the Board) and the Fund Development Committee (the Committee) as set out in the Committee's Term of Reference. The Committee has delegated authority to the Executive Director to evaluate, negotiate, accept or decline gifts and gift agreements for both current and planned gifts with prospective donors following guidelines approved by the Board of Directors. Gifts may need to be approved by the Board before the gift is accepted.
- I. All fund and gift agreements will clearly identify that funds will be charged in accordance with the Investment Policy.
- J. All gift agreements must be reviewed and signed by two Foundation signing authorities.
- K. General administrative costs are covered by the Foundation.
- L. Gift related costs such as legal fees, appraisals, real estate commissions and taxes relating to the acceptance, maintenance, management or re-sale of a gift of property, will normally be the responsibility of the donor, unless the Foundation agrees to assume responsibility for any portion of these items.
- M. The Foundation will require an independent assessment of the value of a gift of property. Appraisal costs are the responsibility of the donor except when approved by the Board.
- N. The Foundation will not serve as executor of a donor's will.
- O. Donor's wishes regarding recognition or anonymity related to their gift will be respected, provided that any recognition is congruent with the Foundation's usual standards of practice and legal requirements.
- P. The Fund Development Committee will monitor and review the Gift Acceptance Policies on a periodic basis to assure its relevancy.
- Q. These Gift Acceptance Policies may be amended at any time with a majority vote of the Foundation Board of Directors.

Restricted Gifts

- A. Funds can be accepted for use towards awards, bursaries and scholarships, among other purposes within the objectives of the Foundation, which have been approved by the Board. Each designated gift will be used for the purpose for which it was given.
- B. Restricted contributions will be applied as agreed upon with the understanding that when the need has been met, or cannot be carried out for reasons beyond the ability of the Board to control, the donor agrees that gifts designated for such purposes may be used by the Foundation where needed the most.
- C. The Foundation may only engage in public benevolence and will not engage in any private benevolence.
- D. Donors which have endowment funds with the Foundation will receive a donor statement on an annual basis.

Gift Disclosure Policies

- A. It is the policy of the Foundation to publish the recipients of all monies distributed by the Foundation, other than bursaries, during the previous fiscal year.
- B. The Foundation will publish the names of all contributors, and the range amount comprising same, of any amounts over \$100 for the previous fiscal year. Contributors may request that they be listed as Anonymous on the contribution form.
- C. For tribute gifts (memorial, graduation, etc.) the honoree is notified of all donors' gifts unless a donor wishes to remain anonymous. No individual gift amounts are divulged.
- D. The Foundation will publish the names of all contributors who make a pledge to an endowment.

Appendix A

Types of Gifts

A. Gifts of Cash

- a. Gifts of cash include cash, cheques, money orders, wire transfers, or direct debit deposits.
- b. Unless post-dated, a cheque will be considered given on the day it was received.
- c. A gift by credit card will be considered to have been made on the process date.
- d. The receipted amount will be equal to the amount of gross cash received or processed.
- e. Foreign currency contributions will be considered to have been made on the date of receipt. The receipted amount would be the equivalent Canadian dollar value at the close of business of the date of receipt.
- f. Charitable receipts are issued for all gifts of at least \$20.00 and are issued no less frequently than annually.

B. Gifts of Public Securities

- a. Transfers of public securities as defined by the Income Tax Act and listed on a recognized stock exchange.
- b. Transfers of public securities are to be converted to cash at the earliest possible date, as determined by the Executive Director or Board. As such, a receipt is to be issued for the fair market value of the security received in the charity's account.
- c. Gifts of privately-held shares may only be accepted after approval of the Foundation Board and will be in accordance with CRA policies

C. Charitable Bequests

- a. A bequest can be in the form of a specific amount or the residue of the Estate.

- b. Sample bequest language will be provided to donors and their lawyers, upon request, to ensure the bequest is properly designated.
- c. Donors are encouraged to provide information relating to their bequest provision to the Foundation and, if they so choose, to send the Foundation a copy of the relevant section of their will naming the CPA Manitoba Foundation. Doing so will allow appropriate recognition during the donor's lifetime. Unless specifically stated, all gifts may be allocated towards general or restricted funds, as subjective to the Foundations' discretion.
- d. During the administration of an estate involving the Foundation, the Executive Director of the CPA Manitoba Foundation, or their designate, shall represent the Foundation in all dealings with the lawyer and the executor of the estate.
- e. Any out-of-pocket legal, accounting, or other professional fees incurred relating to the administration of the gift from the estate will be deducted from the gift received.
- f. When the estate gift has been received, the Foundation will issue a charitable tax receipt to the estate of the net value of the gift.

D. Life Insurance

- a. The administration of a gift of life insurance will involve the Executive Director of the Foundation, or a designate.
- b. There are three options available for gifts of life insurance:
 - a. Transfer of a fully-paid, existing policy
 - i. Donation of an existing fully-paid policy can be made, naming the CPA Manitoba Foundation as the irrevocable owner and beneficiary.
 - ii. A tax receipt will be issued for the fair market value, as determined by an independent actuary assessment, just as if it were a cash donation.
 - iii. Donors may choose to direct the insurance proceeds from an existing or new policy to their estate and to name the Foundation as the beneficiary of those proceeds in their will. As with other specific bequests, the donor's estate would receive a charitable tax receipt for the proceeds of the policy.
 - b. Transfer of an existing, partially-paid policy
 - i. Donation of an existing partially-paid policy can be made, naming the CPA Manitoba Foundation as the irrevocable owner and beneficiary.
 - ii. A tax receipt will be issued for the fair market value as determined by an independent actuary assessment, as well as any further premiums paid on the policy.
 - c. Premiums
 - i. If there are unforeseen circumstances that prevent a donor from completing their premium payments on any new, or partially-paid policy, the CPA Manitoba Foundation will assess, on an annual basis, whether it will honour the payment schedule if the funds

are for general spending. The donor may be asked to continue the payments otherwise the cash surrender value of the policy will be realized.

E. Charitable Remainder Trust (only accepted in inter-vivos state)

A charitable remainder trust provides flexibility when planning an Estate, and offers a means of directing your assets and making future gifts to the CPA Manitoba Foundation. It is a deferred giving arrangement by which a donor transfers property (cash, securities or real estate) to a trustee. The donor retains the right to income from the trust, either for life or a specified number of years. The Foundation has irrevocable title to the assets when the donor dies. When tax received will be equivalent to the present value of the assets at the time of the transfer to the trust.

F. Endowments

- a. A contribution of a permanent endowment may be established between the donor and the Foundation. There are two types of endowments accepted:
 - i. General endowment
 - a. This is a permanent fund set up by the Foundation to hold gifts in perpetuity. The capital is retained, with the understanding that a portion must be disbursed annually for the Foundation's work in accordance with [CRA guidelines](#). Gifts of any size will be accepted in this fund.
 - ii. Named donor endowment
 - a. This is a permanent fund set up by the Foundation to hold gifts in perpetuity. The capital is retained, with the understanding that a portion must be disbursed annually as specified by the endowment agreement and in accordance with [CRA guidelines](#).
 - b. Named donor endowments must be approved at the Foundation Board level.

A minimum of \$15,000 contribution is required.

Glossary of Terms

Beneficiary: The person or organization that receives a bequest under a will, proceeds from a life insurance policy (or from some other financial arrangement, such as a retirement plan), or distributions from a trust.

Charitable Bequest: A gift of property through a will to a particular beneficiary. Also called a legacy.

Capital: The original donors' contributions or any subsequent contributions thereafter upon which income is earned.

Charitable Remainder Trust: An irrevocable trust that pays income to one or more individual beneficiaries for life or a term of years, and then distributes the remaining assets to one or more charities.

Endowment: A principal sum, permanently set aside and invested by a charity, with only the income used for charitable purposes.

Executor / Executrix (f): One or more of the person, trust company or bank identified in a will to carry out the wishes of the decedent and settle the estate.

Inter Vivos: An "inter vivos" transfer of property is property transferred during the individual's life.

Irrevocable Trust: A trust that cannot be terminated or changed by the person creating it.

Public Benevolence: In order to qualify as a charity, an organization's purpose and activities must provide a tangible benefit to the community or a section of the community. An organization established to benefit a named individual, or a private group is established for private benevolence and therefore not charitable at law.