

Gift Acceptance, Recognition and Disclosure Policy

Introduction

The Manitoba Lung Association (MLA) was originally created in 1904 under *The Sanatorium Board of Manitoba Act* (the “San Act”) by the Government of Manitoba. The San Act was repealed, and the MLA continued as a non-profit corporation. Our initial focus was to house and care for those living with Tuberculosis. Today, we support Manitobans who struggle with lung diseases and promote lung health at all stages of life.

To protect the interests of MLA and the persons or entities that support our organization financially, this policy is designed to inform all parties of the roles, responsibilities and expectations throughout the gift-giving process. This policy also guides MLA’s board and staff decision-making process. It ensures that gifts to MLA are made in accordance with legal regulations and ethical guidelines that promote consistent practices, exercise fiduciary responsibility, and protect MLA from unforeseen financial consequences. As part of this policy, MLA is committed to adhering to the Donor Bill of Rights (Appendix A).

We want to encourage funding of MLA without accepting gifts that may impede progress. We will not accept donations that may generate more cost than benefit or are restricted in a manner that does not align with our vision and mission.

To optimize funding from individuals and other entities, MLA must respond quickly and in the affirmative, where possible, to all gifts offered by prospective donors. These policies are intended as guidelines, and flexibility must be maintained since some gift situations can be complex, and decisions may be made only after carefully considering interrelated factors.

Gift Acceptance

1. Accepting donations lies with the Board of Directors of MLA. The board has delegated authority to the President and CEO to accept all gifts other than those outlined in this policy.
2. The Senior Manager of Fund Development is authorized to review, negotiate, approve and decline gifts with a **restricted purpose** for current and planned gifts with existing and prospective donors of \$5,000 and under—all donations over \$5,000 are approved by the President & CEO.
3. MLA reserves the right to decline any gift if it goes against our vision or mission, has too many restrictions on the use, is illegal or has moral implications for the

Policy approved: November 22, 2023

organization, e.g. a donation comes from a donor (individual or organization) considered inconsistent with mission and values.

4. MLA will adhere to all Canadian laws governing the charitable sector and issue charitable tax receipts per Canadian regulations.
5. We will accept the following types of donations. Further details can be found in Appendix B – Gift Types:
 - a. Cash
 - b. Credit Cards
 - c. Gifts of Securities
 - d. Gifts-in-kind
 - e. Life Insurance Policies
 - f. Gifts of Retirement Plan Assets
 - g. Estate Gifts
6. Any gift over \$5,000.00 with a restricted purpose will require a gift agreement. MLA's Board of Directors has approved the standard gift agreement. All gift agreements will be signed by the President & CEO.
7. To ensure the overall health of our organization, an agreed-upon amount of any restricted gift may be used for general purposes by MLA. A donor can decline this provision in consultation with MLA.
8. The gift acceptance policy will be reviewed annually by both the Finance & Audit Committee and the Fund Development and Public Relations Committee.
9. MLA will not provide legal or financial advice for any donation. We recommend that donors seek independent consultation for any current or future gift if there is reason to believe that the proposed donation might significantly affect the donor's financial position, taxable income, or relationship with other family members.

Donor Recognition

1. Donor names will be listed in our annual report if their total giving level in the fiscal year is \$200 or over. All donor names will be included in the list published online. In both circumstances, a donor will not be listed should they request anonymity for their support.
2. When recognizing a donation on a list or by the donor's request, the specific donation amount will never be included in the recognition except where listed above in the annual report.

3. The donor can alter their recognition preferences by email or phone anytime.

Disclosure

1. Contact information for the donor will never be released without consent by the donor, e.g. when a tribute notification is made.
2. MLA **will not** exchange, rent, or share its fundraising lists with other organizations.

Appendix A – Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Appendix B – Gift Types

Cash

Cash gifts, whether by cheque, money order, or direct debit deposit, are considered cash gifts on the date the gift is received. The exception to the policy takes place at both MLA's year-end (March 31st) and December 31st, where a cheque is considered to have been given on the day it was mailed. For example, a gift sent by mail, if postmarked in December, qualifies as a charitable donation in that tax year.

- a. The receipted amount will equal the eligible amount of the cash or cash equivalent received.
- b. All gifts are eligible to receive a charitable tax receipt.
 - i. Donations of \$20 or over will be provided in paper or electronic form.
 - ii. Any donation under \$20 will receive a charitable tax receipt when requested.

Credit Cards

A gift by credit card is considered to have been made on the process date. Credit card donations are processed by Canada Helps when made online or by MLA when made over the phone, in person or by mail.

- a. The receipted amount will equal the eligible amount of the credit card amount processed.
- b. All gifts are eligible to receive a charitable tax receipt.
 - i. When made online through Canada Helps, all donations will receive a tax receipt electronically by email.
 - ii. For donations made over the phone, in person or by mail:
 1. Donations of \$20 or over will be provided in paper or electronic form.
 2. Any donation under \$20 will receive a charitable tax receipt when requested.

Gifts of Securities

Securities, including mutual funds, that are publicly listed are generally acceptable to MLA.

- a. The receipted amount will be determined by the closing bid price of the share on the date the shares are received in MLA's brokerage account. There may be exceptions to the valuation of the gift at the discretion of the Director of Finance.
- b. Shares can be accepted electronically or in physical form.
- c. MLA will make a transfer form available for the donor or advisor to fill out and send to MLA.

Donors shall bear transfer costs when transferring securities to MLA. Once received, MLA may liquidate shares or incorporate them into its investment portfolio.

Should a donor wish to donate private company shares or other securities that are not publicly listed, Board approval will be required.

Gifts in-kind

MLA will accept gifts in-kind that meet the following criteria: the gift is of value and needed, and the fair market value (FMV) of the gift in kind can be established. Any costs related to delivery, appraisal or conveyance will be the donor's responsibility.

- a. For gifts under \$1,000, the FMV can be determined by the Director of Finance or Senior Manager of Fund Development, who can accept this gift.
- b. Gifts of over \$1,000 must be appraised by an independent appraiser qualified to appraise the gift and approved by MLA. The CEO can accept this type of gift.

Charitable donation receipts cannot be issued for:

- Professional or personal services of an individual (which is not a true gift).
- Provision by a company of its principal product or service as a sponsorship. This is considered a promotional expense, and we will discuss receipt options.
- Payment for a lottery ticket or other chance to win a prize (not a gift).

If a charitable donation receipt is not required for the gift in-kind, whether to accept the gift will be left to the discretion of the President & CEO.

Life Insurance

MLA will accept life insurance policies on a case-by-case basis, and policy details will need to be reviewed and approved by the Board. MLA may accept gifts of insurance with the obligation to pay future premiums based on an assessment that it is favourable to do so, considering the donation will benefit MLA in the future. In these circumstances, the Audit and Finance committee will approve these gifts in consultation with experts.

- a. Assigned Ownership:
 - i. A charitable donation receipt will be issued for the net cash surrender value of a policy at the time of the donation unless an actuarial valuation is obtained, in which case a receipt may be issued for the policy's fair market value.
 - ii. If the policy is not fully paid, the payment by the donor of annual premiums after the date of the assignment is also a gift that generates a charitable donation receipt.
 - iii. If unforeseen circumstances prevent a donor from completing the premium payment schedule, MLA will individually assess whether it will honour the payment schedule.
- b. Beneficiary of Policy:
 - i. A tax receipt will be issued to the donor's estate upon receipt of the policy's proceeds at the time of death. The receipted amount will be equal to the value of the gift received.

Gifts of Retirement Plan Assets

Potential supporters of MLA may have registered retirement saving plans, registered retirement income funds, tax-free savings accounts, or other retirement plans and, where the value of the assets involved may be more than the donor will need during retirement. It might be appropriate for donors to use these assets to make current outright gifts of cash from their retirement plan, in which case MLA may issue a charitable donation receipt in the eligible amount of the cash when received.

In other cases, it may be preferable to have retirement plan assets contributed upon death by the donor, designating MLA as the beneficiary of any remaining plan assets at the time of death. In that case, no charitable donation receipt is issued on naming MLA as the beneficiary; however, a charitable donation receipt may be issued to the estate in the amount of cash transferred to MLA following the donor's death.

Estate Gifts

A gift by will (bequest) is a provision directing assets from an estate to MLA. There are several types of bequests accepted by MLA:

- A specific bequest which provides a specified sum of money or a stated percentage of an estate or specific property, such as real estate or securities, to MLA;
- A residual bequest which leaves all or a portion of the residue of an estate to MLA after providing for other beneficiaries;

- A contingency bequest which provides that MLA receives all or a share of the estate in the event of the prior death of certain other beneficiaries.

MLA may provide suggested wording for a will; however, it is recommended that donors consult a lawyer or estate planner before executing a will providing for a gift to MLA. Should the donor wish to leave a gift designated for a specific purpose, we advise they discuss the details with MLA. MLA may decline any bequest should the purpose of the gift be too restrictive.

Bequests to MLA are eligible for a charitable donation receipt. A bequest could be made in various forms and is subject to the policy provisions listed above.