



Homes First Gift Acceptance Policy and Procedures

Policy Statement:

The purpose of this policy is to provide guidance to Homes First Foundation (HFF) and Homes First Society (HFS) on accepting donations/gifts based on informed decisions, in accordance with Homes First's mission and strategic plan. The policy and procedures also provide guidance in the issuing of charitable receipts, in accordance with the Canada Revenue Agency regulations and guidelines, and in adequately documenting and appropriately recognizing the donor's intent.

Scope:

These guidelines govern the acceptance and financial administration of all types of gifts, including those gifts made from sources such as corporations, associations, service clubs, foundations, and individuals, made in support of the HFF and HFS priorities.

Principles of Gift Acceptance:

The following principles will be considered before a gift is solicited and/or received by the HFF. The gift should:

1. Further the mission and objectives of Homes First as outlined in the Strategic Plan, Case for Support and Key Messages, and priorities as approved by the HFS and HFF Boards.
2. Not compromise the values of HFF and HFS or its programs and services.
3. Not have any restrictions for use placed on it by the Donor that are incompatible with Homes First's Mission, Strategic Plan, or Canada Revenue Agency requirements.
4. Not be accepted from any individual or entity involved in illegal business.
5. Not be accepted if the Donor's reputation or business activities may have an adverse effect on the reputation of Homes First.
6. Not be accepted if the gift entails unacceptable financial risk or burden; for example, gifts that are unmarketable, inaccessible, impractical or may expose Homes First to liability.

If HFF, in consultation with the Board of Directors (or the CEO) of HFS, deems that a donor's wishes do not correspond with the organization's priorities, the donor will be

asked to redirect his or her intended gift. If the donor's wishes cannot be satisfied within the parameters of Homes First's goals and priorities, the intended gift will be declined with thanks.

Guidelines:

All gifts must be compliant with Canada Revenue Agency regulations and other applicable Homes First policies. Gifts must not be accepted if the donor places parameters on the gift that do not fall within Homes First's mission and strategic plan or otherwise fit with the fundraising priorities of HFF. Ownership of all gifts directed to HFF must be reflective of the HFF fundraising plans on behalf of approved priorities for HFS. The final decision to accept or decline a gift rests with HFF, after consultation with HFS management and approval of Chief Executive officer of HFS.

The HFF is responsible for coordinating fundraising, gift acceptance, gift agreements, and recognition. The HFF is responsible for gift processing. There are instances when HFS will receive donations directly. These must be forwarded to the HFF for processing. Additionally, where gifts are received through digital media, and receipted by a third party, all donor information must be forwarded to HFF for database processing.

Charitable gifts that are deemed acceptable will be acknowledged with a charitable receipt in accordance with Canada Revenue Agency regulations and the direction, if any, given by the donor.

Procedures:

The HFF Executive Director or designate will ensure that gifts are given appropriate consideration and will consult the Treasurer regarding trust agreements, endowed gifts, non-cash gifts and financial arrangements.

These guidelines will:

- Ensure that informed decisions are made with respect to acceptance of gifts and that all requirements pursuant to the *Income Tax Act* and other legislated requirements are met;
- Ensure that efficient administrative and accounting practices and procedures are followed;
- Ensure accurate reporting of gifts bestowed to HFF, and
- Ensure consistent application of policies and procedures when dealing with donors.

Types of Support:

Donors are considered to be individuals, foundations, corporations, associations, or entities that provide funds to the HFF in support of its priorities.

The following are types of gifts that will be accepted and will warrant recognition and stewardship consistent with this policy:

1. Gifts of cash

2. Gifts of life insurance:

- Proceeds received on an insurance policy as a benefit paid on the death of a donor will be recognized when the proceeds are realized by Homes First and a charitable tax receipt will be issued.
- Premiums paid periodically by a donor to the HFF to maintain a policy where the HFF is the named beneficiary will be credited to the HFF (or if made to a campaign, for the duration of the campaign). The donor will be receipted annually for the amount of the annual annuity.
- Gifts of existing policies with accumulated “cash value” will be credited to HFF (or if campaign, to the campaign) for the amount of the cash value only. The donor is issued a charitable tax receipt for the amount of the cash value.

3. Gifts of publicly traded securities:

- Recognized as a gift at the fair market value of the shares, as listed on the TSX as at closing of the exchange on the day that legal ownership is transferred to the HFF.
- Gifts of publicly traded securities are to be liquidated on receipt by the HFF.

4. Bequests by Will:

- Bequests to HFF or HFS are recognized at their dollar value, in the name of the estate, when the funds are received by the HFF. Anticipated bequests will not be accounted for in revenue until they are received.

5. Pledges:

- Donors will be recognized for the full amount of their pledge at the time of the pledge. Amounts pledged will not be receipted until the funds are received by HFF. The HFF reserves the right to adjust or remove recognition provided to a donor whose pledge is not honored in full.

6. Gift-in-Kind (GIK):

- GIK donors will be listed in the appropriate recognition category for the 'fair market value' of their gift. To be accepted, GIK donations must meet the requirements set out in Homes First's GIK Policy and Procedure required by the donor and if the HFF determines that the gift can be accepted. The HFF reserves the right to determine the types of gifts-in-kind it will accept.

7. Gift of Services:

- Gifts of services will not receive a tax receipt under the *Income Tax Act* because no property is transferred. If a donor wishes to offer a gift of service by charging the HFF and donating the proceeds back to the HFF, a charitable tax receipt for the gift may be issued, but only if payment of the service invoice is not contractually linked to the subsequent outright gift.

Gift Limitations:

When conditions placed on a gift offered are judged to be administratively difficult or not in the best interest of the HFF or HFS, the Executive Director, in consultation with the HFS CEO, may request that the terms of the gift be revised or recommend that the gift be declined.

Tax Receipts:

Charitable receipts cannot be provided where:

- The donor receives any direct personal benefit under the arrangement (Canada Revenue Agency (CRA) Interpretation Bulletin IT-i 10R3-"Gifts and Official Donation Receipts" does not allow the issue of a tax receipt where the donation is used to confer a benefit of any kind to the donor);
- The donor has signing authority over the use of the funds;
- The donor stipulates the recipient (i.e. the tax receipt is requested in another individual's name like a spouse);
- The use of the funds is restricted to specific individuals within HFS or HFF;
- Participation in a program or activity is limited to the donor; or
- Proprietary rights entitlement accrues to the donor through the use of the funds.

Should the Canada Revenue Agency (CRA) deem the donor to have received a direct benefit, an individual's tax credit will be denied.

All database administration will be coordinated by the Development Assistant.

Pledge Period:

It is recommended that the pledge payment period not exceed five years from the date that a pledge is obtained. The HFF recognizes that there may be special circumstances that justify a longer pledge payment period. Exceptions must be approved by the HFF Executive Director and HFS CEO prior to the pledge being book

Pledge Communication:

The HFF (administered by the Executive Director and Development Assistant) will communicate with donors regarding their promise to give or intention until either donor fulfillment, donor cancellation or the gift is written off by the HFF. It is recommended the HFF communicates with donors on their pledges primarily through courtesy letters and reminders.

Monthly Reminders:

The monthly courtesy reminder is a stewardship communication provided to donors with scheduled pledge installment payment due during the month. The reminder details the initial pledge, payments to date and outstanding balance.

Donors receive a charitable tax receipt for each pledge installment payment for tax purposes.

Year-End Pledge Status Letters:

The Year-End-Status letter is stewardship communication provided on behalf of all donors with an outstanding pledge commitment. The letter details the initial pledge, payments to date, and the outstanding balance. The Letter details the progress/status of the priority their gift funded for that year.

Pledge Monitoring:

At the time the pledge is entered into the database, an installment schedule will be established based on the number of anticipated payments and the beginning and end date of the pledge. Installment information is used to generate pledge reports to monitor the progress and to identify non-performing pledges.

The HFF is responsible for ensuring the validity of pledges and will cancel, write-off, or modify any non-performing pledge that does not accurately reflect donor obligations or wishes.

Periodically, the HFF Executive Director will receive a listing of all pledges that are 90 days overdue to review outstanding donor commitments to communicate with donors regarding delinquent pledges.

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- Created on March 17, 2016.
 - Approved by Homes First Foundation.
 - The Policy applies to all of Homes First.