

## **Acceptance of Gifts Policy**

---

### **Purpose**

Lupus Ontario relies on donations by way of gifts from individuals, corporations and government in order to achieve its mission. All gifts that are received by the organization are properly documented in order to ensure legislative guidelines are followed. Donors of gifts are recognized accordingly.

The purpose of this policy is to appropriately document the responsibilities and guidelines to ensure all gifts received are in accordance with the applicable law.

### **Policy Objectives**

The objective of this policy is to ensure that:

- All staff and volunteers of Lupus Ontario have access to clear guidelines regarding the acceptance of gifts;
- All staff have information needed to guide potential donors on the proper form and manner of donating gifts; and
- Lupus Ontario is following the relevant legislation with respect to gifts.

### **Policy Application**

This policy applies to all Lupus Ontario funded researchers, staff, board members and volunteers at all levels of the organization.

### **Policy Type**

This is an external policy and covers everyone dealing with and supporting Lupus Ontario and therefore should be disclosed to the public on our website.

### **Executive Champion**

The President of Lupus Ontario is the executive champion of this policy.

### **Policy Details**

A donation or gift is a voluntary transfer of property without valuable consideration. A gift is made in any circumstance where all three of the conditions listed below are satisfied:

- Some property - cash, stocks and bonds, gifts-in-kind, land, etc. - is transferred by a donor to Lupus Ontario;
- The transfer is voluntary. Any legal obligation on the donor would cause the transfer to lose its status as a gift; and
- The transfer is made without expectation of return.

Some acceptable forms of donation include:

- Cash and negotiable instruments, including cheques, money orders and bank drafts;
- Electronic and bank fund transfers, including credit and debit card transactions, automatic clearing house transactions, and wire transfers;
- Whole life insurance policies;
- Publicly traded securities valued at \$500 or more;
- Bequests (gifts in a will) or through a trust;
- Endowments
- Retirement benefits (i.e. RRIFs or RRSPs);
- Gifts-in-kind; or
- Other investments: shares in privately-owned companies, flow-through shares, and other investments not readily negotiable must be approved by Lupus Ontario before being accepted.

Other gifts not listed above may be accepted but require review by Lupus Ontario before the gift is accepted. In reviewing these gifts, consideration will be given to the size of the gift, financial liability, and risks to Lupus Ontario.

Lupus Ontario will accept, transfer, and liquidate the above according to CCRA (Canada Customs and Revenue Agency) regulations.

Items excluded as gifts/donations are services volunteered to the organization.

#### Determining Value for Non-cash Gifts

Lupus Ontario will use fair market value (“FMV”) to assess the value of non-cash gifts received. FMV will be assessed using the highest price, expressed in dollars, that the gift would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other.

In the event that Lupus Ontario believes the gift may hold a value in excess of \$1,000 (CAD), it will ensure the gift is professionally appraised by a third party.

#### Tax Receipts

##### *1. Donations*

Lupus Ontario will tax receipt all gifts and donations \$20 and over according to Canada Customs and Revenue Agency (“CCRA”) regulations.

Lupus Ontario will recognize donations as separate and apart from sponsorships as required by CCRA regulations.

##### *2. Artwork*

Any artwork donated to Lupus Ontario will be assessed at FMV, and as such, Lupus Ontario requires donors of artwork to provide a release of ownership stating the full

particulars about the artwork and what they would expect to receive if the piece were to be sold in the open market.

### 3. *Gifts-in-kind*

Gifts-in-kind may be accepted where the property is of either immediate use or of use in the near future to Lupus Ontario, or the property can be liquidated quickly. Some examples of gifts-in-kind may include inventory, artwork, furnishings, medical equipment, tickets to events, or other physical and tangible property.

A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.

If a gift-in-kind has been received by Lupus Ontario and the FMV cannot be determined at the time of donation, an official donation receipt will not be issued. The onus is on Lupus Ontario to ensure the fair market value reflected on official donation receipts is accurate.

If Lupus Ontario needs to issue a receipt for a non-cash gift or gift-in-kind, the Canada Revenue Agency deems the FMV to be the lesser of the gift's FMV and its cost to the donor immediately before the gift is made.

### 4. *Advantage*

Any receipts issued for an advantage must be done directly by Lupus Ontario, any receipts issued on behalf of Lupus Ontario are strictly forbidden. The eligible amount for an advantage will be determined by deducting the value of the advantage from the amount of the gift. Examples of advantages include:

- The meal at a fundraising dinner
- The green fees, cart rental, and meal at a golf tournament
- A comparable ticket price for a fundraising concert

When the value of the advantage received is more than 80% of the value of the gift, it is generally considered that there is no true intention to make a gift; therefore, Lupus Ontario will not issue a receipt.

### Acceptance of Gifts

Lupus Ontario retains the right to decline any type of gift or source of gift from an individual or organization with objectives that do not align with those of Lupus Ontario.

Gifts will not be accepted by Lupus Ontario that:

- Violate any federal, provincial or municipal law.
- Stipulate that the donation be used in violation of The Human Rights Code (National).
- Commit Lupus Ontario to name a faculty, program or endowment fund, without prior approval of the Board of Directors.

- Compromise Lupus Ontario's integrity or interfere with our programs.
- As a condition thereof, require any action on the part of Lupus Ontario, which is unacceptable to the Board of Directors. Require or stipulate the future employment at Lupus Ontario of any specified person.
- Contain unreasonable conditions.
- Are gifts of partial interest in property, unless Lupus Ontario Board of Directors gives approval.
- Are financially unsound or that would expose Lupus Ontario 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.

### **Monitoring and Compliance**

The Treasurer will be responsible for leading the monitoring of the application and compliance of this policy direction.

### **Policy Review**

This policy direction is to be reviewed every five years.