

Gift Acceptance Policy

United Way of Sarnia-Lambton Mission Statement

To generate resources enabling the Community to respond to Human Care priorities in Sarnia-Lambton and to measure and improve the effectiveness of these invested resources

Purpose of Gift Acceptance Policy

The purpose of this Gift Acceptance Policy is to provide guidelines relating to the acceptance and processing of gifts that are consistent with United Way of Sarnia-Lambton's mission.

Donor's Use of Professional Advisors

Donors and prospective donors will be urged to seek the assistance and advice of independent professional advisors, including, but not limited to, tax or legal counsel and financial advisors, where appropriate, prior to and in matters relating to making a gift. The United Way of Sarnia-Lambton will encourage all donors to use their own professionals as necessary.

Use of Counsel

United Way of Sarnia-Lambton reserves the right to consult with and/or seek the advice of legal counsel in any and all matters relating to the acceptance of gifts as determined by the Executive Director and/or the Board of Directors.

Gift Acceptance Review Process

Determinations as to acceptance of routine gifts may be made by the Executive Director, as well as certain members designates. All non-routine gifts and any gifts designated in this Policy for review by the Executive Director, and where appropriate, the Board of Directors for rendering the final decision as to whether a particular gift should be accepted. Non-routine gifts include gifts that are not regularly encountered in the ordinary course. They include gifts that may not align with the mission of United Way of Sarnia-Lambton, unique or unusual gifts and gifts accompanied by a potential administrative, financial or other burden on United Way of Sarnia-Lambton. Grants received by United Way of Sarnia-Lambton in the ordinary course shall not be treated as gifts and shall not be subject to this Policy.

Types of Gifts Accepted:

United Way of Sarnia-Lambton encourages and solicits contributions of cash, publicly traded securities, as well as personal and real property, either as outright gifts or through planned gift methods that are acceptable to Canada Revenue Agency and the laws of the Province of Ontario. Planned gift options include, but are not limited to, bequests, life insurance policies, charitable gift annuities, charitable remainder trusts, gifts of residual interest, and gifts of retirement benefits.

Overly Restrictive Gifts

United Way of Sarnia-Lambton will not accept gifts deemed by its Board of Directors to be overly restrictive. Overly restrictive gifts include, but are not limited to, gifts that are inconsistent with United Way of Sarnia-Lambton's mission, gifts that place undue burdens on United Way of Sarnia-Lambton as well as gifts that violate the terms of any of United Way of Sarnia-Lambton's formation or governance documents.

Designated Gifts

United Way of Sarnia-Lambton's policy is to encourage donors to give unrestricted gifts, the proceeds of which support United Way of Sarnia-Lambton's regular funded agencies, other funding methods, and its programs, rather than to designate gifts to benefit other charities. The United Way of Sarnia-Lambton does however honour Donor Choice, and has a Donor Option program of which the policy is included in its current Policy and Procedures Manual. Where the receipt and/or administration of a designated gift is burdensome, the Board of Directors will determine, in accordance with this Policy, whether or not United Way of Sarnia-Lambton will accept the gift.

Types of Gifts

The Board of Directors reserves the right to consider any and all gifts to United Way of Sarnia-Lambton.

Cash

Gifts to United Way of Sarnia-Lambton may be made via cash, cheque, credit card or other cash equivalents.

Cheques, money orders, etc., shall be made payable to United Way of Sarnia-Lambton. Cheques shall not be made payable to individuals who represent United Way of Sarnia-Lambton.

Tangible Personal Property

Gifts of tangible personal property may be subject to the approval of the Board of Directors unless received in connection with an auction or raffle organized and conducted by United Way of Sarnia-Lambton as part of its regular fundraising campaign held primarily in the fall of each year. Such gifts may be sold upon receipt by United Way of Sarnia-Lambton.

The Board of Directors may consider other factors in rendering a determination as to whether the gift should be accepted, including, but not limited to, another party's possession of any type of lien or interest in the property, the marketability of the property, any carrying costs for the property and the presence of any restrictions on the use, display or sale of the property.

The Board of Directors shall have the discretion to seek an appraisal of the property from a qualified, independent appraiser in addition to those events that is a requirement of Canada Revenue Agency. The United Way will also take into consideration how easy the donated asset can be liquidated and at what expense.

Publicly Traded Securities

Publicly traded and marketable securities, including those traded on any recognized stock exchange, are acceptable and encouraged by United Way of Sarnia-Lambton. Such marketable securities will be transferred to an account maintained at a brokerage firm or physically delivered with the signature of the transferor of stock power attached, held by the United Way of Sarnia-Lambton and may be sold and invested in the United Way of Sarnia-Lambton Future Fund at the discretion of the United Way of Sarnia-Lambton financial advisor.

Marketable securities that are not Restricted Stock (as defined in the following paragraph) may or may not be sold upon receipt by United Way of Sarnia-Lambton based on the financial advice from the United Way of Sarnia-Lambton financial advisor/team. The finance committee may also be involved in this decision making activity.

Gifts to United Way of Sarnia-Lambton of publicly traded securities that are restricted by applicable securities laws, which typically bear a legend on the certificate ("Restricted Stock"), shall be referred to the United Way of Sarnia-Lambton financial advisor and possible the Finance Committee to determine whether the gifts should be accepted. United Way of Sarnia-Lambton may or may not accept gifts of Restricted Stock where the beneficiary are not United Way of Sarnia-Lambton. These

gifts include gifts that are processed by United Way of Sarnia-Lambton but designated for receipt by another charity by the donor depending on a number of factors.

The Board of Directors, perhaps after consultation with the Finance Committee, and/or the United Way of Sarnia-Lambton Financial Advisor shall render a decision as to whether gifts of Restricted Stock where the beneficiary is United Way of Sarnia-Lambton should be accepted.

With respect to gifts of Restricted Stock in general, the donor may be asked to pay for all of the expenses of lifting the restriction and any other expenses associated with the administration of the gift except when the Gift Acceptance Committee makes an exception. Exceptions may be made based on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with United Way of Sarnia-Lambton, the donor's past giving record and the donor's contributions to the organization.

Closely Held Securities

For purposes of this Policy, closely held securities shall mean securities that are not publicly traded and shall include, but shall not be limited to, debt and equity interests in non-publicly traded or closely held entities, as well as interests in LLPs and LLCs. Interests in other forms of ownership may be deemed closely held securities.

Closely held securities may be accepted only (i) if the beneficiary is United Way of Sarnia-Lambton and (ii) if approved by the Board of Directors.

The Board of Directors is charged with considering the following factors as part of its review of the gift: whether the securities possess any restrictions that would hinder their liquidation to cash, marketability of the securities, an estimate of the fair market value of the securities and the presence of any detrimental tax consequences for United Way of Sarnia-Lambton, and may seek professional assistance.

The Board of Directors may deem it appropriate to consult with an independent professional advisor at any time as part of the review process.

The United Way of Sarnia-Lambton's policy may be restricted by agreement or by applicable law(s) and depending on the facts and circumstances of the gift.

Real Estate

All gifts of real estate shall be subject to the review and approval of the Board of Directors. Prior to consideration, the Executive Director and a member of United Way of Sarnia-Lambton's Board, Finance Committee or both, or a qualified real estate broker must conduct a visual inspection of the property.

The donor may be asked to provide any or all of the following items to United Way of Sarnia-Lambton: a property deed, a property tax bill, a property title report, a property survey, site plans or development surveys relating to the property, a plot plan, any existing leases or agreements encumbering the property, substantiation of zoning status and verification of title insurance.

Prior to acceptance of real estate gifts, the Board of Directors shall be responsible for ensuring that an environmental review of the property is completed and may use environmental inspection forms where appropriate. If the environmental or some other inspection reveals what the Board of Directors deems to be a potential problem, the Board shall arrange for the retention of a qualified, appropriate inspection firm to conduct an environmental audit of the property, or other professional consultant prior to making a final decision.

The Executive Director, upon direction from the Board of Directors or Executive Committee shall arrange for an appraisal of the property and will obtain a title binder for the property where it deems it to be appropriate. Expenses for the appraisal and title binder may be paid by the donor.

The Board of Directors is charged with considering the following factors as part of its review of the gift; the fair market value of the property; the projected financial benefit to United Way of Sarnia-Lambton; whether the property is useful for United Way of Sarnia-Lambton's purposes and mission"; the marketability of the property; the presence of any restrictions, obligations or limitations associated with the property; any carrying costs, administrative costs and/or professional expenses associated with acquiring and selling or maintaining the property; and the results of the environmental review and any environmental audits, and any other fiduciary responsibilities the Board of Directors may have.

Depending on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with United Way of Sarnia-Lambton, the donor's past giving record and the donor's contributions to the organization, the donor may be asked to pay for all or a portion of the following additional expenses: maintenance expenses, real estate taxes, insurance expenses, the real estate broker's and/or auctioneer's commission, any other costs of the sale of the property and any additional legal and/or other expenses relating to the administration of the gift or the sale of the property.

Remainder Interests and Retained Life Interests in Property

Remainder interests in property may be accepted by United Way of Sarnia-Lambton subject to the approval of the Gift Acceptance Committee and subject to the provisions enumerated in the foregoing "Real Estate" section.

Life Insurance

Gifts of life insurance policies shall be subject to the approval of the Board of Directors.

United Way of Sarnia-Lambton shall encourage donors to name United Way of Sarnia-Lambton as beneficiary or contingent beneficiary of any gifted life insurance policies. Gifted life insurance policies must possess a minimum face value of \$5,000.

United Way of Sarnia-Lambton shall encourage gifts of paid up life insurance policies. If the policy is not paid up, United Way of Sarnia-Lambton shall request that the donor contribute all future premium payments to United Way of Sarnia-Lambton. If the donor does not elect to continue making gifts to cover premium payments on the life insurance policy, United Way of Sarnia-Lambton may: 1) continue to pay the premiums; 2) convert the policy to paid up insurance; and/or 3) surrender the policy for its current cash value.

The Board of Directors and/or the Finance Committee may consult with professional financial and legal advisors regarding the valuation of any gifts of life insurance policies. Gifts will be recorded at such time as they are paid. Receipts to be used for tax purposes will be carried out in accordance to Canada Revenue Agency.

Retirement Plans

Donors may name United Way of Sarnia-Lambton as a beneficiary of their retirement plans. Gifts will be recorded at such time as they are received and donation receipts for tax purposes will be carried out as per Canada Revenue Agency legislation.

Deferred Gifts

The Gift Acceptance Committee shall consider the acceptance of all deferred gifts. United Way of

Sarnia-Lambton will not accept deferred gifts where United Way of Sarnia-Lambton is not the beneficiary, provided that the Board of Directors may consider on a case-by-case basis acceptance of gifts where United Way of Sarnia-Lambton is a contingent beneficiary or one of the beneficiaries of the gift.

The Board, upon input from the Executive Director and/or the Finance Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the gift, the projected financial benefit to United Way of Sarnia-Lambton, whether the gift is useful for United Way of Sarnia-Lambton's purposes and mission, the presence of any restrictions, obligations or limitations associated with the gift, as well as any carrying costs, administrative costs and/or professional expenses associated with the gift.

Deferred gifts may include charitable remainder trusts, charitable lead trusts, bequests, charitable gift annuities, deferred gift annuities, pooled income funds and retained life estates.

United Way of Sarnia-Lambton may accept a designation as the remainder beneficiary of a charitable remainder trust subject to the approval of the Board. United Way of Sarnia-Lambton shall not serve or accept an appointment as the trustee of such a charitable remainder trust.

United Way of Sarnia-Lambton may accept a designation as the income beneficiary of a charitable lead trust subject to the approval of the Board of Directors. United Way of Sarnia-Lambton shall not serve or accept an appointment as the trustee of such a charitable lead trust.

Donors are encouraged to make bequests to United Way of Sarnia-Lambton through their wills and trusts. Bequests will be recorded at such time as they are received. Donors who indicate that they have made a bequest to United Way of Sarnia-Lambton may be asked to disclose the relevant clause or documentation that evidences such a bequest.

Challenged or Contested Gifts/Bequests

From time to time, the United Way of Sarnia-Lambton may be named in a will or given equities or gifts of real estate and such gifts are challenged or contested by other organizations and/or family members. While this may be rare, the United Way of Sarnia-Lambton has a policy that the Board of Directors will review such cases on a case by case basis to determine how far or not the United Way of Sarnia-Lambton will proceed. Such considerations are, but not limited to:

- Professional counsel recommendations
- Size or value of the gift
- The Board's fiduciary responsibilities
- Potential negative, or positive fall-out and/or loss of reputation
- Previous relationship with said donor and his/her family
- Belief the donation amount is legally the United Way of Sarnia-Lambton, and is consistent with the Donor's wishes

Donor-Advised Funds and Supporting Organizations

The Executive Director may discuss with donors whether donor-advised funds and supporting organizations can be helpful in fulfilling the mission of United Way of Sarnia-Lambton. The Board of Directors must approve the acceptance of gifts in this category.

Charitable Gift Annuities

It is not the practice of the United Way of Sarnia-Lambton to manage gift annuities, but rather to purchase reinsured gift annuities from life insurance companies.

Charitable Remainder Trusts

United Way of Sarnia-Lambton can serve as trustees of charitable remainder trusts at the request of the donor. If preferred, donors may also select a trust institution, or other qualified trustee, to manage the trust.

Other Gifts and Memorials

The Executive Director shall consider the acceptance of other gifts not mentioned above, including, but not limited, to memorials, honorariums and intangible property and will seek the advice of either or both the Finance Committee and Board of Directors. The United way of Sarnia-Lambton will also accept and encourage memorial donations.

Ethical Standards and Compliance

United Way of Sarnia-Lambton shall administer gifts properly, shall comply with all applicable laws and regulations, including those governing reporting and retention, and shall provide formal acknowledgments for gifts. United Way of Sarnia-Lambton shall comply with all Canada Revenue Agency laws, legislation, and rules. United Way of Sarnia-Lambton acknowledgment letters may acknowledge the value of a gift in the case of a cash, cheque or other monetary donation or if required by applicable law. United Way of Sarnia-Lambton shall consult with independent advisors where it deems such action to be appropriate. United Way of Sarnia-Lambton shall strive to consider the interests of the donor and disclose to the donor all essential information, including any fees, prior to acceptance of the donor's gift. Donors may be advised to consult with legal or tax counsel or other appropriate advisors which they already have a relationship with.

Review of Policy

United Way of Sarnia-Lambton's Board of Directors will review and accept the foregoing Gift Acceptance Policy on a regular basis. The Executive Director, upon advice from the Finance Committee shall conduct periodic reviews of this policy and shall recommend any future changes to the Board of Directors.

This Gift Acceptance Policy was approved by the United Way of Sarnia-Lambton Board of Directors November 17, 2014.

Note: Thanks to the United Way of New York City, and the University of Western Ontario for the help and guidance in drafting this policy.