

# Section VII Fundraising

## VII.001 – Gift Acceptance Policy

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Gift Acceptance

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### **Purpose**

The Foundation welcomes donations from individuals and organizations to help it achieve its mission and to enhance the services provided at the Chinook Regional Hospital. This policy creates a framework for the acceptance of philanthropic donations to the Foundation.

### **Definitions**

1. “Unrestricted gifts” are not restricted in the manner in which they may be expended and are available to use for such purposes as the Foundation determines will best advance its interests and priorities.
2. “Restricted gifts” are used expressly for the purposes of which they are given, or in the case of an endowment, in support of the identified purpose or object of the endowment.
3. “Gifts-in-kind” refer to non-cash gifts. Examples of gifts-in-kind include, but are not limited to, gifts of equipment, supplies, furnishings, real-estate, art work, insurance and securities and other property.

### **Gift Acceptance Policy**

1. All gifts must meet all applicable local, provincial, and federal laws and regulations.
2. Gifts will only be accepted where there is charitable intent on the part of the donor. The Foundation will not accept any gifts that:
  - 2.1. Contain a condition that requires any action on the part of the Foundation that is unacceptable to senior administration.
  - 2.2. Require the employment of a specified person now or at a future date.
  - 2.3. Inhibit the Foundation from seeking gifts from other donors
  - 2.4. Expose the Foundation to adverse publicity, litigation, or other liabilities.
  - 2.5. Require undue expenditures or involve the Foundation in unexpected responsibilities because of their source, conditions, or purpose.
  - 2.6. Involve unlawful discrimination or any other basis prohibited by federal, provincial, and local laws.

3. Unrestricted and restricted gifts are accepted and administered through the Foundation staff, with final authority to accept routine gifts lying with the Chief Executive Officer. In extraordinary circumstances, the Chief Executive Officer shall seek approval from the Board of Directors.
4. Restricted gifts will be accepted only when the Foundation can assure the donor that any funds received can be eventually used for their intended purpose. Restricted gifts are made with the understanding of the donor that while their gift will be used for this purpose only, the Foundation cannot guarantee when these funds will be disbursed. All restricted donations will be accounted for and monitored closely by the Chief Executive Officer using Fund Accounting methods.
  - 4.1. An administrative levy of 10% applied to all restricted purpose, non-endowed gifts;
    - 4.1.1. Specific gifts may be reviewed in exceptional circumstances (example of an exceptional circumstance is where donor's organizational bylaws conflict with CRHF policies or at the request of the Foundation CEO);
    - 4.1.2. Levy amounts are directed to a dedicated operating fund which supports core operating costs of CRHF, to support communications and marketing costs, to provide for CRHF commitments to fund matches, and to support key staff equipment purchases.
    - 4.1.3. Such costs are built into the costs of all projects for which the Foundation raises funds (e.g. it is embedded in all capital costs and all equipment costs in terms of the gross dollars we need to raise). Best practice requires the Foundation to make this levy allocation explicit in gift agreements. The following clause should be included in all non-endowed gift agreements.

*The Donor acknowledges that all non-endowed philanthropic gifts received by CRHF incorporate a 10% allocation to the CRHF Operating Fund, which is used to support high priority capital projects and equipment purchases, fund communication activities, and partially fund the Foundation's operating costs. All projects undertaken by CRHF are fully costed to include this allocation.*
5. Gifts-in-kind of equipment and furnishings that are donated to directly benefit the Chinook Regional Hospital site must be pre-authorized by Hospital Administration. Hospital Administration will ensure the gift is immediately useful, is in keeping with the scope of hospital operations and meets all health and safety regulations imposed by Alberta Health Services. In these cases, the onus is on the donor to prove the donation's value.
6. Gifts-in-kind of other property to not directly benefit the Chinook Regional Hospital site, for example artwork, real-estate, or other goods are accepted by the Foundation only when they can be converted to cash in a reasonable amount of time or when the Foundation can utilize the property through its operations.
  - 6.1. Associated expenses of a gift made to the Foundation are to be borne by the donor.
  - 6.2. Donors of property gifts valued at over \$1,000 may be required to obtain an appraisal by an independent third-party appraiser in accordance with current tax law requirements.

- 6.3.** All gifts of property will be sold at the discretion of the Chief Executive Officer to convert the property to cash at the earliest opportunity, keeping in mind current market conditions and the potential use of the property in the accomplishment of the mission of the Foundation.
  - 6.4.** Property encumbered by a mortgage or other indebtedness cannot be accepted as a gift unless the donor agrees to assume all costs until the property is liquidated. Exceptions to this can be made when the value of the property exceeds the anticipated exposure, will produce income, or will be used by the Foundation or Chinook Regional Hospital in their operations.
- 7.** Gifts-in-kind of securities are to be pre-arranged and received into the Foundation's investment accounts:
  - 7.1.** Gifts of securities will be acknowledged and receipted to the donor at the value received into the account, as of the day received.
  - 7.2.** All securities will be sold immediately upon receipt into the account. The cash available after the sale will be deposited into the regular banking accounts of the Foundation.
  - 7.3.** Gifts of life insurance must comply with applicable provincial insurance regulations.
  - 7.4.** The Foundation does not accept gifts requiring guaranteed annuity payments.
- 8.** All donors must acknowledge that the Foundation is not acting as a professional advisor, rendering opinions on any gift. The Foundation may require a letter of understanding from a donor along with proof of outside advice being rendered before a gift will be accepted.