

Policies and Procedures In-kind Donations (Stock)



Approved by Board of Directors April 2016

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Policies and Procedures Donations

All staff and Board should be aware of this policy and be able to communicate it effectively to current and potential donors.

1) Types of Donations

The Foundation encourages donors to make outright and/or deferred donations.

- a) Current donations: The form of current donations accepted by the Foundation should be property that is readily marketable at reasonable cost. This would include cash, deposit instruments of a government in Canada or financial institution, publicly traded securities, life insurance policies, and any other property that the Foundation may invest in consistent with its investment policies.
- b) Deferred donations: The form of deferred donations accepted by the Foundation may include bequests, donations of residual interests, charitable remainder trusts, donations of life insurance policies and proceeds, retirement income accumulations and such other donation arrangements as the Board of Directors may approve from time to time.

2) Donations of Publically Traded Securities

a) Possession, Acceptance and Recognition Policy

i) Acceptance

- (1) Gifts or donations of publically traded securities can be accepted for both the CFNS consolidated fund or for flow through funds.

ii) Possession

- (1) The ownership of securities passes to the CFNS upon the CFNS brokerage receiving the transfer of securities according to Canada Revenue Agency.

iii) Recognition

- (1) Donations to endowments are deemed as part of the consolidated fund upon acceptance.

iv) Receipting Value and Fund Credit

- (1) Receipting value is based on the valuation of the securities at end of day that the ownership transfers to CFNS.
- (2) Donations are credited to designated funds at the receipted value.

3) Fees Associated with Gifts of Securities

Fees payable to the donor's broker are paid by the donor. Fees associated with the CFNS liquidation of gifts of securities are debited against the fund to which the gift is designated, after the receipted donation amount is credited to the designated fund.

The Executive Director may approve that the CFNS cover fees but only for donations of securities for endowment funds but not for flow through funds.

4) Timing of Issuance and Information for Receipt

Receipts will be issued for the donation of publically traded securities only after receiving a gift of securities notification letter from the CFNS brokerage and confirmation of the content of that letter but within 30 days of the transfer into the CFNS brokerage account. The value of the donation for receipting purposes will be determined by 2.IV above.

The receipt issued to the donor will be generated through the CFNS accounting program and show the following:

1. Name and Address of Donor
2. CFNS Contact Information and Charitable Number
3. Value of Donation based on 2.IV above and the number of securities donated at what price.
4. Any replacement receipt will show the number of the voided receipt.

5) Sale/Disposition of Publically Traded Securities

All donated publically traded securities will be sold as soon as possible and the proceeds then invested in accordance with the Foundation's investment policy, unless an express agreement has been made with the donor prior to the transfer of the securities to CFNS.

6) Risk

All market risk prior to the liquidation of the public security is borne by the donor, including any gain or loss on liquidation from movement in share price or currency changes. The CFNS assumes risk for the donation of public securities after its liquidation.

7) Communication of Policy

Policies related to gifting of public securities shall be posted on the CFNS web site, included in CFNS fund agreements, and communicated directly to donors.

Procedures

1. All CFNS team members are to be familiar with the policies associated with accepting gifts of securities and able to communicate it effectively to current and potential donors.
2. CFNS will maintain a gift of securities form that is available to donors of public securities upon request.
3. The CFNS brokerage will notify the CFNS immediately upon it being notified of a gift of securities to CFNS and concurrently take the necessary steps to sell the securities as soon as possible.
4. When CFNS is notified of the receipt of securities with its brokerage, the office co-ordinator/bookkeeper shall notify the donor via email or telephone and reconfirm policies and fees associated with the transfer and sale of securities and confirm the fund for which the donation is intended.
5. The CFNS office coordinator/bookkeeper, after confirmation of the value of the transfer, will issue a receipt according to #4 above.