



JEWISH FOUNDATION – OF MANITOBA –

GIFT ACCEPTANCE POLICY

**APPROVED BY THE BOARD OF DIRECTORS
on May 18, 2022**

The Jewish Foundation of Manitoba (“JFM”) is a non-profit, charitable organization registered under the *Income Tax Act* (Canada). JFM welcomes donations to fulfill its mission. The purpose of JFM's Gift Acceptance Policy is to provide guidance to the Board of Directors and staff on the type of gifts that may be accepted. The policy also serves as a source of information for potential donors interested in supporting JFM activities.

GUIDING STATEMENTS

Mission Statement

The Jewish Foundation of Manitoba, in keeping with our Jewish heritage and values, encourages and facilitates the creation and growth of endowment funds to enable the community to realize its potential. The Foundation maintains effective stewardship over all assets entrusted to it; distributes grants that reflect donors’ wishes and community priorities; and provides leadership in the Jewish and general communities.

Vision Statement

Founded on Jewish values, the Jewish Foundation of Manitoba cultivates an endowment fund that guarantees growth, innovation, and vibrancy of the Jewish and general community in Manitoba. Forever.

GIFT ACCEPTANCE GUIDELINES

JFM reserves the right to decline any gift. A gift may be declined for any reason, including but not limited to situations where the conditions attached to the gift or the nature of the gift itself may:

- negatively impact JFM’s integrity;
- restrict JFM’s liberty of action;
- cause damage to JFM’s reputation;
- conflict with JFM’s legislated objects, or its mission, vision or long-term direction;
- place additional costs or burdens on JFM;
- expose JFM to uncertain risk or potential liability; or
- contravene the *Income Tax Act* (Canada) or any other legislation.

Any costs associated with the transfer of a gift to the JFM will generally be borne by the donor.

The JFM encourages donors to contribute gifts for today (outright gifts) and/or legacy gifts for the future (deferred gifts). The types of gifts may include, but are not restricted to:

- Cash
- Marketable (Public) & Private Securities
- Real Property
- Gifts-in-kind
- Planned & Testamentary Gifts (Deferred Gifts)
- Life Insurance Policies
- Life Insurance Proceeds

Gifts may be given through a trust or will.

Other gift arrangements can be made, from time to time, as approved by the Chief Executive Officer (CEO).

JFM ultimately desires that a gift is to be held in perpetuity in the form of cash, near cash and marketable securities (or similar assets) to allow for distributions to the community. JFM reserves the right to sell marketable securities (or similar assets) at its discretion.

JFM staff and volunteers may inform, guide, or otherwise assist donors, but never under any circumstance should a donor be pressured or unduly persuaded. All staff and volunteers will conduct themselves in accordance with accepted professional standards of accuracy, truth, privacy, and integrity.

JFM advises all donors to seek independent professional advice to ensure that they receive a full explanation of all aspects of a proposed gift.

TYPES OF GIFTS

1) Gifts of Shares in Private Companies and Other Business Interests

JFM may accept a gift of shares of a private corporation or other business interests where:

- a) The value of the shares or interest must be either apparent from the rights attaching to the shares or interest, or the donor must provide an independent valuation in writing provided by a qualified appraiser or valuator for the purposes of issuing a tax receipt; and
- b) The rights attaching to the shares or interest provide for an annual income (e.g. dividend) congruent with the Foundation's Spending Policy or JFM is entitled to have the shares or interest redeemed or purchased for fair market value at its option.

JFM cannot accept a gift that could require it to contribute funds as a shareholder or owner of the interest.

2) Marketable Securities

Prior to acceptance of any gift of marketable securities, JFM will review same to determine if the particular securities are acceptable pursuant to this policy.

3) **Gifts-in-Kind**

Gifts-in-kind involve a tangible, non-cash donation that could include tangible personal property (e.g. gifts of publicly traded securities) or intangible personal property (e.g. a patent, copyright, royalty, contract rights, software licensing, etc.). Generally, JFM does not accept jewellery, art, time-shares, inventory or equipment. The acceptance of gifts-in-kind mandates that there be no cost to JFM associated with the acquisition of these gifts.

If a gift is to be accepted, the donor must provide an independent appraisal by a qualified appraiser, establishing the fair market value of the gift.

4) **Gifts of Real Estate**

The following guidelines pertain to gifts of real estate:

- a) If a gift is to be accepted, the donor must provide an independent appraisal by a qualified appraiser, establishing the fair market value of the gift;
- b) The donor shall provide evidence that they have clear title to the property;
- c) JFM shall conduct due diligence on the property at the donor's cost, including (but not limited to) a review of zoning restrictions, marketability, current use, and cash flow; and
- d) JFM may arrange for an environmental assessment at the donor's cost, which may include an environmental audit.

Prospective donors should be aware that the cost of JFM's due diligence (particularly environmental due diligence) may be substantial.

5) **Planned Giving & Testamentary Giving (Deferred Gifts)**

Bequests

A charitable bequest refers to direction in a donor's will of a particular amount of money to JFM, specific property, or a percentage residue of the estate.

- a) Sample bequest language for designated and undesignated endowment gifts is available to donors and their professional advisors to ensure that the bequest aligns with the donor's philanthropic intent. Donors will also be invited to provide information about their bequest, provisions (if any) and, if they are willing, to provide JFM with a copy of that section of their will naming JFM as a beneficiary.
- b) The CEO, or their designate, shall represent JFM during the administration of estates. JFM may elect to engage legal counsel at its discretion.
- c) For all planned gifts, JFM recommends that the donor execute a *Memorandum of Understanding (MOU)*. The MOU documents the donor's philanthropic intent today, for their gift at a future time. The MOU is non-binding and may be amended by the donor at any time during their lifetime. JFM undertakes to execute the donor direction in the MOU upon receipt of the deferred gift. In the event of a conflict between directions provided in the donor's will and an existing MOU, the donor's will shall take precedence.

Gifts of Retirement Plan Assets

Supporters of JFM may hold RRSPs, RRIFs or other retirement plans, where the value of the assets may be in excess of the lifetime needs of the donor and/or their loved ones. The proceeds of these retirement plans may provide a considerable legacy. JFM recommends the donor consult with their professional advisor when considering this type of gift.

Gift of a Residual Interest in Real Property

A gift of a residual interest refers to an arrangement where real property is irrevocably committed to JFM, but the donor retains use of the property for life, or a term of years. For example, the donor might give a residual interest in a residence and continue to live in it. The donor is entitled to an income tax receipt from JFM for the present value of the residual interest (assuming that the asset appraisal is deemed satisfactory, and the gift is accepted).

The donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property unless JFM agrees to assume responsibility for any portion of these items. JFM's interest in the property shall be evidenced by registration in the Land Titles Office, and there shall be an agreement that specifies the respective rights and responsibilities of JFM and of the person(s) who is(are) the beneficiary of a life trust.

JFM reserves the right to inspect the property from time to time to assure that its interest is properly safeguarded.

Charitable Remainder Trusts

A charitable remainder trust is a form of a residual interest gift. The donor transfers property to a trustee who holds and manages it. The net income will be paid to the donor and/or another named beneficiary. When the trust terminates (either at the death of the beneficiary(s) or after a term of years), the trust remainder is distributed to JFM. The trust must be irrevocable without the ability to encroach on capital and the donor is entitled to an income tax receipt for the present value of the residual interest.

A charitable remainder trust may be funded with cash, securities, or real estate with the prior consent and acceptance of JFM. Gifts of real estate will be subject to a thorough review.

Due to the significant costs involved with establishing charitable remainder trusts, only gifts of material value will be considered for acceptance. JFM is not required to accept any residual interest gift.

Where a donor wishes to establish a charitable remainder trust in their will, JFM strongly advises that professional tax advisors be consulted, as the donation receipt may not be available to the donor in their year of death.

JFM will not act as trustee of a charitable remainder trust.

Life Insurance

There are various methods by which life insurance policy or proceeds may be gifted to JFM. A donor may:

- a) Transfer irrevocable ownership of a paid-up policy to JFM,
- b) Transfer irrevocable ownership of a policy on which premiums remain to be paid,
- c) Name JFM as the beneficiary of the policy.

Where irrevocable ownership of a policy is transferred to JFM, the donor is entitled to a donation receipt at the time ownership is assigned for the value of the policy (if any) and further receipts will be issued in future years for any premiums subsequently paid by the donor. For policies that have been irrevocably assigned to JFM, it reserves the right to pay premiums (in the event the donor ceases to pay the premiums), surrender the policy for cash, or elect a reduced paid-up policy.

Where JFM is the beneficiary of a life insurance policy, a receipt will be issued for the amount of the proceeds at the time they are received by JFM.

TRANSPARENCY AND REPORTING

Gifts shall be accounted for in a manner which allows donors and the public to develop a fair picture of how JFM conducts its activities. JFM will respect donors' wishes for anonymity. Should the need arise, JFM will consult with donors to obtain their permission before public disclosure of their gift. The CEO is responsible for all donor relations.

CHARITABLE DONATION RECEIPTS

A charitable tax receipt for a gift may be issued only after JFM has accepted the gift and the fair market value of the gift has been determined. Services or volunteer time is not receiptable under the *Income Tax Act* (Canada). A charitable receipt is issued for the value of the gift less any advantage received by the donor as a result of the gift. Where a gift is a remainder interest, the value of the gift is the value of the remainder interest, and an appraisal of that interest will be required before a receipt can be issued.

ENDOWMENT FUNDS

All endowment contributions are legacy gifts, allocated to the donor's endowment fund(s), or other endowment funds in perpetuity and are subject to the oversight of the CEO and the Board of Directors.

All designated and donor-directed funds established at JFM shall be governed by an endowment agreement executed by JFM and the donor, failing which, the funds shall be governed by JFM's general policies and procedures. All gifts to organizational endowment funds shall be governed by the endowment agreement between the organization and the Foundation.

Community Impact Funds and field-of-interest funds are pooled funds operated by the Foundation or governed by individual agreements.

ADDITIONAL RESOURCES

JFM has adopted The Donor Bill of Rights created and amended from time-to-time by the *Association of Fundraising Professionals* which can be viewed at <https://afpglobal.org/donor-bill-rights>.

Donors, staff, and volunteers may also wish to consult both our Statement of Investment Policy Guidelines and Privacy Code. Please visit www.jewishfoundation.org for additional information.

POLICY REVIEW

This policy is to be reviewed by the Board of Directors as required and not less than every 5 years.