



## GIFT ACCEPTANCE POLICY

# FINAL

### 1. INTRODUCTION

Bonny Lea Farm (South Shore Community Service Association) located in Chester, Nova Scotia, is a registered charity in both Canada and the United States, committed to serving adults living with intellectual and physical disabilities. For the purposes of this policy Bonny Lea Farm (South Shore Community Service Association) will be referred to as Bonny Lea Farm.

The Bonny Lea Charitable Foundation is a registered charity managed by an independent board of trustees committed to supporting Bonny Lea Farm in achieving its mission, and for the purposes of this policy referred to as the Foundation.

This Gift Acceptance Policy covers all charitable donations received by Bonny Lea Farm and the Foundation, including regular donations, memorial, tribute, major and planned gifts.

Bonny Lea Farm (South Shore Community Service Association) - CRA# 119158459RR0001 / IRS#23-728-3520  
 Bonny Lea Charitable Foundation - CRA#871101507RR0001 / IRS#98-041-7559

### 2. PURPOSE AND GUIDELINES

Bonny Lea Farm encourages and solicits gifts of cash, and personal and real property, either as outright gifts or through such planned giving vehicles as are permitted by Revenue Canada and the laws of the Province of Nova Scotia. This policy governs the acceptance of such charitable gifts and provides guidance to prospective donors when making gifts.

### 3. RESPONSIBILITY TO DONOR

Bonny Lea Farm places accountability at the core of its relations with its donors and members of the public. It adheres to the Donor Bill of Rights and the Canadian Association of Gift Planners Code of Ethics, which call for the highest level of ethics, integrity and professionalism in dealing with donor relationships. In addition, all parties acting on behalf of the organization will adhere to the following principles:

#### a) Conflict of Interest

In all matters involving the donor, the interest and well-being of the donor must take priority. In cases of potential conflict or actual conflict of interest, those acting on behalf of Bonny Lea Farm must declare the conflict to the Managing Director.

#### b) Legal and Other Professional Counsel

Bonny Lea Farm will seek the advice of a lawyer or other appropriate professional counsel prior to accepting any gift, if deemed necessary by the Managing Director.

Bonny Lea Farm encourages all donors who are planning a gift to speak with their family and seek independent legal and/or financial advice.

#### c) Ethics

All individuals acting on behalf of Bonny Lea Farm and the Foundation in promoting fund development will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. (Refer to Appendix A and B.)

#### d) Finder's Fees

Gifts of cash or in-kind that are brought to Bonny Lea Farm or the Foundation as a result of the Fund Development Program will be considered part of the philanthropic support for Bonny Lea Farm and a finder's fee will not be paid.

#### e) Gift Designation

Gifts to Bonny Lea Farm under \$20,000 (bequests or otherwise), which have not been designated for a specific purpose will be used for capital or operating expenses.

Gifts to Bonny Lea Farm of \$20,000 or more, which are not designated for a specific purpose are transferred to the endowment held by Bonny Lea Charitable Foundation minus 10% that remains with Bonny Lea Farm and used towards the budget of the year the gift is received.

Gifts to Bonny Lea Farm of any amount, which are designated for a specific purpose can but need not be transferred to the Foundation for investment until requested for the designated use by Bonny Lea Farm.\*

Bonny Lea Farm's Gift Agreement includes a provision which allows for use of the gift to support current programs if the original purpose indicated by the donor is no longer possible. (see Appendix C)

## 4. TYPES OF GIFTS

Bonny Lea Farm and the Foundation are open to receiving virtually any type of gift including regular donations, memorial, tribute, major and planned gifts.

Planned giving is a philanthropic program by which a donor can arrange a substantial gift to a charity for either a future or current need. The emphasis is on planning and is focused on meeting the needs and objectives of the donor, which usually involves a combination of financial, estate and tax planning.

The following methods of giving are encouraged and will be promoted:

- Cash (in Canadian or US Currency)
- Bequest by Will
- Publicly Listed Securities
- Life Insurance
- Charitable Remainder Trusts
- Residual Interest
- Annuities
- Interest Free Loans
- Real Property
- Major Gifts and Multi-year pledges

#### 4.1 Cash

Cash is acceptable in any form. Cheques should be made payable to "Bonny Lea Farm", "South Shore Community Service Association" or the "Bonny Lea Charitable Foundation". If the donor wishes to specify the use of the gift this should be indicated when making the donation and in agreement with the organization.

#### 4.2 Bequest by Will

Bonny Lea Farm and the Bonny Lea Charitable Foundation gratefully accept bequest gifts made through a donor's Will.

For individuals who have made adequate provision for their heirs, encouragement is given to naming Bonny Lea Farm as residual beneficiary. However, bequest of specific dollar amounts, percentages of estates, publicly traded securities or real property are also accepted.

A donor may also include a contingency clause that provides a bequest to Bonny Lea Farm or the Foundation after the death of a named "last survivor". In this case, a donor may provide to Bonny Lea Farm or the Foundation all or a portion of the remaining estate following the death of the named beneficiary.

Donors will be advised to seek independent legal counsel in the drafting of their Will. It is understood that employees of Bonny Lea Farm will not become involved in the final preparations, execution or witnessing of a Will in which Bonny Lea Farm is named as a beneficiary.

#### 4.3 Publicly Traded Securities

Notice of intended gifts of Publicly Traded Securities shall be directed to the Managing Director/Finance Committee. Upon notification, the donor will be sent a Stock & Mutual Fund Donation Form that is to be filled out and returned by the donor's broker. In the event that the shares are not transferred electronically, the form will accompany the signed and notarized stock certificates.

On receipt of the shares, the following will happen:

- A receipt will be issued to the donor for the fair market value based on the calculated average of the high and low trading value of the shares on the day the transfer was made.
- In the case of non-electronically transferred shares, the date post marked on the envelope or the hand-delivery date will be considered the date of transfer.
- Bonny Lea Farm will advise its broker to sell the donated shares as soon as possible if the donation has been directed for a specific use and the project or activity is imminent.
- The net proceeds from the sale of the shares will be directed to fund the activity designated by the donor. This value may be higher or lower than the amount on the tax receipt.
- If the proceeds from the shares have not been directed by the donor for a specific purpose, the Board of Directors may choose to retain ownership of the shares for use to support activities at Bonny Lea Farm at a later date.

#### 4.4 Gifts of Life Insurance

Bonny Lea Farm may accept gifts of new or paid up insurance policies.

If a Life Insurance is irrevocably assigned to Bonny Lea Farm, a receipt for the net cash value, if any, will be issued. Further, as premiums come due and are paid, receipts for the amount of the premiums will be issued to the donor. Bonny Lea Farm may be named as beneficiary of any Life Insurance Policy and will issue a tax receipt to the estate of the donor on receiving all or a portion of the death benefits.

#### 4.5 Charitable Remainder Trusts

Bonny Lea Farm and the Bonny Lea Charitable Foundation will consider for approval a trust in which Bonny Lea Farm is irrevocably named as beneficiary. Such trusts will be professionally managed with all management costs being the responsibility of the income beneficiary. Lifetime income will be provided to the donor and, on the expiration of trust, Bonny Lea Farm will receive the principal from the Trust.

#### 4.6 Gifts of Residual Interest

We will consider for approval gifts of residual interest. This type of arrangement allows the donor to make a gift - usually artwork or real estate - and continue to either reside in or keep in their possession either until the donor dies or for a term specific time.

With this type of gift property is irrevocably transferred Bonny Lea Farm and the donor retains the right to use the property as if it were theirs until death. The donor is entitled to a charitable tax receipt for the discounted or present value of the residual interest owned by Bonny Lea Farm. Any costs associated with guaranteeing the integrity of the gift (i.e. insurance, maintenance, etc.) are the responsibility of the donor.

#### 4.7 Charitable Gift Annuities

A Gift Annuity combines the donor's gift to Bonny Lea Farm with an annuity that Bonny Lea Farm purchases on his/her behalf through a licensed insurance company using their donated funds. Guaranteed annuity payments will continue throughout the donor's lifetime, unaffected by changes in the economy or interest rates. If the donor wishes, the annuity can be written to cover the donor and his/her spouse through both lifetimes.

The exact amount of the annuity payments will depend on the donor(s) age(s), the size of the contribution and the annuity rates in effect at the time of the gift.

A tax receipt will be issued annually in the amount of the annuity paid by the donor.

The portion of the contribution not required to purchase the annuity will be used by Bonny Lea Farm, as the donor directs.

#### 4.8 Interest Free Loans

Individuals able to give up the income from a capital asset for a set period of time but not wanting to lose that asset might consider making an interest free loan to Bonny Lea Farm. This type of loan is usually set up in one of the following two ways:

- Repayable within a special period of time - i.e. 1 year, 5 year, 10 year.
- A demand loan repayable at any time donor requests payment.

This type of gift is established through an agreement specifying all the terms of the loan and signed by both the donor and the Board of Directors. The principal of the loan must be repaid according to the agreed upon terms, but Bonny Lea Farm can spend or invest the interest earned during the period of the loan.

With this type of gift Bonny Lea Farm cannot issue a charitable tax receipt for either the principal or the interest and the donor is not taxable on the interest earned as long as the loan is outstanding.

Interest-free loans can be used to provide interim funding for a capital project until long-term financing can be arranged. They can also be used to produce revenue that is spent on a specific program or the revenue could be re-invested in an endowment fund.

#### 4.9 Gifts of Real Property

Real property includes such things as real estate, equipment, vehicles, and artwork. Notice of intended gifts of real property will be given to the Managing Director to seek appropriate professional counsel, seek the necessary approval of the Finance Committee and facilitate the finalization of the arrangements. Gifts of this nature will require valuation by a recognized professional, at the expense of the donor, prior to charitable tax receipt being provided.

Gifts of property having a speculative value will be accepted only after careful scrutiny by Bonny Lea Farm's legal and financial advisors. When such gifts are accepted a receipt will be issued for the fair market value of the property.

#### 4.10 Major Gifts and Multi-year Pledges

Major gifts and multi-year pledges are encouraged, payable over up to five years.

### 5. ACCEPTANCE OF GIFTS

No planned or conditional gift will be accepted unless approved by the Managing Director. If a gift is going to be turned down, the Board will be informed.

No gift will be accepted by or on behalf of Bonny Lea Farm that may improperly benefit any individual and jeopardize the tax-exempt status of the organization.

#### a) Evaluation and Appraisal

Depending on the nature or circumstances of the gift, a donor of property or gifts-in-kind may be asked to obtain an independent appraisal of the value of the gift. The responsibility for any fees will be determined by the Managing Director.

#### b) Investments

All assets received by Bonny Lea Farm are invested in accordance with policies established by Bonny Lea Farm Board of Directors and Bonny Lea Charitable Foundation Trustees.

#### c) Gift Agreement (See Appendix C)

A gift agreement must be signed by the donor(s) and the Managing Director, Fund Development Director or representative of the Board of Directors. The gift acceptance agreement outlines the:

- Gift amount, including payment schedule or total if paid outright
- Estimated gift amount to be realized if it is a Life Insurance agreement
- Donor recognition preferences (see section 7)
- The gift's purpose or "designation", including all restrictions and/or preferences
- Amendment in case the intended purpose of the gift becomes impractical, impossible or inconstant with current programs of the Association.

### 6. INCOME TAX RECEIPTS

Income Tax receipts are issued for the total gift amount received (unless there is a defined advantage amount assigned to the gift).

## 7. GIFT AND DONOR RECOGNITION

Bonny Lea Farm or the Foundation will determine with the donor or his/her representative, the preferred manner for recognition of the gift and the donor. Appropriate staff from Bonny Lea Farm will work with the donor or their representative, to select the recognition process and to develop an implementation plan.

Publicity surrounding the gift will be reviewed with the donor as part of the gift planning process. Bonny Lea Farm will respect all donor requests for anonymity.

In circumstances where there is no direction by the donor on the subject of recognition, the Board of Directors will advise the Managing Director of the gift recognition strategy to be implemented.

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For more information about this policy or the services provided by Bonny Lea Farm, as well as its charitable mission and vision, please visit our website: [www.bonnyleafarm.ca](http://www.bonnyleafarm.ca) or call 902-275-5622 ext 241.

The CRA has recently updated many of its regulations relating to charitable giving, which can be found on the agency's website, [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca). Form T1170(05) on the CRA website lists the types of gifts that are eligible for capital gains exemptions.

Use in conjunction with:

- Gift Agreement
- Designation of your Gift
- Declaration of Bequest Intent
- Transfer of Stocks, Shares and Mutual Funds
- Donor Privacy Policy

Bonny Lea Farm  
Fund Development  
April 2016

## SOUTH SHORE COMMUNITY SERVICE ASSOCIATION

### Appendix A

#### CODE OF ETHICS FOR FUND DEVELOPMENT

This Code of Ethics shall apply to all members and employees of the Association.

##### Objectives

This Code of Ethics has been established to encourage members and employees of the Association to adhere to certain principles, guidelines and practices in their relations with donors or prospective donors.

##### 1. The Integrity of Members

Members and employees shall act with competence, honesty, integrity and fairness in their relations with donors or prospective donors.

##### 2. The Role of Members

The primary role of members and employees is to help donors realize their philanthropic goals and to ensure that their contributions respect the objectives of the charitable organization in question.

##### 3. Disclosure of Information

Members and employees have a responsibility to provide donors with accurate and comprehensive information on all aspects of the gift, including the roles of all interested parties.

Members and employees who work on behalf of Bonny Lea Farm have a responsibility to inform donors of the mission, the activities of the organization as well as its gift acceptance practices, its processing procedures and fund and endowment management policies.

##### 4. Protection of Interested Parties

Members and employees working for or on behalf of Bonny Lea Farm shall encourage donors to consult with their personal and professional advisors when making or planning a significant gift. Members and employees have a responsibility to cooperate with other professionals who promote their donor's interests as well as those of the organization they represent.

Members and employees shall not act for nor claim to represent Bonny Lea Farm without its knowledge or express consent. Members and employees shall not act as donor's representatives.

##### 5. Terms and Conditions of Gift

Members and employees shall respect the payment schedule, contribution method and designated use of the gift chosen by donors, insofar as the methods comply with the Bonny Lea Farm acceptance policies or guidelines. The members and employees shall allow donors time for reflection and shall respect their

decision-making processes.

Where possible, members and employees shall make every effort to obtain the donor's consent before altering the conditions of a gift. If for any reason the original purpose of a gift becomes impractical, impossible or inconstant with current programs, Bonny Lea Farm may modify the spending portion of the gift to align with current programming.

#### 6. Confidentiality

Bonny Lea Farm shall respect the donor's request for anonymity. Donors' files and the personal and financial information therein contained are the charitable organization's property and shall be kept strictly confidential and in accordance with the privacy legislation in force for the particular jurisdiction.

#### 7. Conflict of Interest

At all times, members shall avoid conflict of interest situations, potential conflict of interest situations or the appearance of conflict of interest. Members shall notify all interested parties of any situation that may present a potential conflict of interest.

Members or employees of Bonny Lea Farm shall not agree to act for donors on a personal basis (e.g. as liquidators or executors of wills) so as to avoid any conflict of interest.

#### 8. Remuneration

Members and employees who work on behalf of Bonny Lea Farm shall not accept commission based remuneration, nor finder's fees nor shall they derive any monetary benefit from transactions concerning donations or from relationships established with donors as part of their duties.

#### 9. Competence

Members and employees engaged in fund development shall be obliged to be aware of and adhere to all guidelines and standards of conduct issued by the Association.

Fund Development employees shall be responsible for maintaining their professional skills and for upgrading their knowledge on an ongoing basis.

It is recommended that members and employees notify the Managing Director in writing and in confidence, of any breach of the Code of Ethics.

## Appendix B

# A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I.

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

## II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.

## III.

To have access to the organization's most recent financial statements.

## IV.

To be assured their gifts will be used for the purposes for which they were given and that every effort will be made to advise them if this is not possible and a new need is identified by the charity.

## V.

To receive appropriate acknowledgement and recognition.

## VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

## VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

## IX.

To be assured that all information relating to the donor is kept confidential and that we do not share our mailing lists with any other organizations.

## X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

ADAPTED IN 2016 BY BONNY LEA FARM FROM A DONOR BILL OF RIGHTS CREATED BY:

Association for Healthcare Philanthropy (AHP)

Association of Fundraising Professionals (AFP)

Council for Advancement and Support of Education (CASE)

Giving Institute: Leading Consultants to Non-Profits



## Appendix C

### GIFT AGREEMENT

I take pleasure in providing for the future of Bonny Lea Farm (South Shore Community Service Association) as an expression of my commitment to its mission and vision.

- I. Donor Name: \_\_\_\_\_  
 City: \_\_\_\_\_ Prov: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_
- II. Tax receipt to be issued to:  
 Donor as above       Other  
 Name: \_\_\_\_\_  
 City: \_\_\_\_\_ Prov: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_
- III. Gift Amount: \$ \_\_\_\_\_ to be given:  One-time gift OR \$ \_\_\_\_\_  Annually  Quarterly  Monthly
- IV. The above gift is to be directed to:  
 Bonny Lea Farm - Area of greatest need/Annual operations  
 Bonny Lea Farm - As designated\*: \_\_\_\_\_  
 Bonny Lea Charitable Foundation - Endowment

\* If your gift is to be used for a specific purpose, such as residential program, day program, capital projects, we suggest that you discuss your plans with us to help ensure we can administer your bequest according to your wishes.

Additional comments:

\_\_\_\_\_

\_\_\_\_\_

If for any reason the original purpose of your gift becomes impractical, impossible or inconstant with current programs of the Association, Bonny Lea Farm (South Shore Community Service Association) may modify the use of the gift to align with current programming. Every effort will be made to communicate these changes with the donor.

- V. May we publicly acknowledge your gift?  Yes, as below     Yes, as anonymous     No  
 (i.e. name on a plaque, materials, newsletters, reports, media, other: \_\_\_\_\_)  
 Donor name for recognition: \_\_\_\_\_
- VI. Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature of Organization Representative: \_\_\_\_\_ Date: \_\_\_\_\_

**Contact:** Bonny Lea Farm – Attention: Liz Finney, Fund Development Director  
 PO Box 560, 5 Collicutt Road, Chester NS B0J 1J0  
[efinney@bonnyleafarm.ca](mailto:efinney@bonnyleafarm.ca) or 902-275-5622 ext 241

**Please note:** Bonny Lea Farm encourages all donors who are planning a gift to speak with their family and seek independent legal and/or financial advice.

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