



# BOWLS CANADA BOULINGRIN

## GIFT ACCEPTANCE POLICY

### 1. Background

Bowls Canada Boulingrin (BCB) is the governing body responsible for lawn bowls in Canada, whose mission is to advance the sport of bowls in Canada.

Voluntary charitable contributions to BCB are crucial to enable it to fulfill its mission and help to secure its long term financial position. As a Registered Canadian Amateur Athletic Association (RCAAA), BCB can issue income tax receipts for charitable donations provided requirements established by the Canada Revenue Agency (CRA) are satisfied. Its registration number is 131262727RR0001.

Federal and provincial governments encourage voluntary gift support of charitable organizations such as BCB, and allow substantial tax relief to donors. The significance of these tax laws makes it an important obligation of BCB to record and acknowledge all gifts received in order to protect its privileged status as an RCAAA.

BCB will ensure that efficient administrative, legal and accounting practices are followed in the acceptance of all gifts; that those gifts are receipted in accordance with Canada Revenue Agency (CRA) regulations; and that all gifts are handled and recognized in a consistent manner.

Gifts to BCB may be in the form of outright gifts, pledges, or deferred commitments. While BCB's Gift Acceptance Policy is intended to provide guidance to donors as well as to BCB regarding acceptance of prospective gifts, donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial, and estate planning goals. BCB urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

### 2. Rationale

This document has been established to:

- 2.1. ensure that informed decisions are made on the acceptance of gifts and that such gifts are receipted in accordance with the requirements of the Income Tax Act
- 2.2. ensure that efficient administrative, legal, and accounting practices and procedures that are set by the Board of Directors are followed at all times by all Board and Committee members, staff and volunteers in all aspects of soliciting, receiving, recording and receipting of gifts
- 2.3. enable accurate reporting of gifts bestowed upon BCB
- 2.4. ensure consistent, equitable relations with donors

In order to ensure that this Policy continues to be effective, it shall be reviewed every two (2) years by the BCB Board of Directors.

### 3. Scope

This policy is established to govern the acceptance of all gifts made to BCB whether such gifts are inter vivos (lifetime) gifts or gifts from estates.

### 4. Policy for Gift Acceptance



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- 4.1 BCB holds itself to a high standard of ethical conduct, both within its own community and in all of its external relationships and interactions with businesses and commercial enterprises, with other external organizations, and with friends and donors.
- 4.2 BCB will not accept gifts, enter into business relationships, or accept external support that will compromise its public image or commitment to its mission and essential values.
- 4.3 BCB values and will protect its integrity and mission and does not accept gifts when a condition of such acceptance would compromise these fundamental principles.
- 4.4 Ownership of all gifts directed to BCB vests in BCB, whether said gifts are for the benefit of BCB generally or for some specific purpose in it.
- 4.5 BCB may elect to accept or decline any gift. The final decision to decline a gift rests with the Board of Directors and/or a body of the Board designated with the power by the Board (e.g. the Finance and Audit Committee or the Fundraising Committee).
- 4.6 Acceptance of any gift contribution which involves a proposal to name is conditional upon final approval of the naming by the Board of Directors.

## 5. Gift Eligibility

The following gifts are deemed eligible for acceptance by BCB:

- 5.1 Outright gifts of cash, cheques, or securities
- 5.2 Gifts-in-kind
- 5.3 Life insurance
- 5.4 Trust agreements
- 5.5 Bequests – which may include cash gifts, gifts of property (named assets), RRSP/RRIF or other investment gifts or securities, or residual interest of the estate.

## 6. Gift Restrictions and Designations

BCB encourages donors to make unrestricted (the principal may be spent) and undesignated (not designated for a particular purpose) gifts.

- 6.1 When conditions placed on a gift offer are judged to be administratively difficult or not in BCB's best interest, BCB staff, in consultation with the Board of Directors, may request that the terms of the gift be revised, or recommend to the appropriate individual that the gift be declined.
- 6.2 Undesignated bequests or a portion thereof may be added to BCB's endowment funds at the discretion of the Board of Directors.
- 6.3 Gifts to establish endowed funds (a permanent fund with only annual investment return spent) will be accepted provided the arrangement meets the minimum amounts in this policy.

## 7. Gift Acceptance

When negotiating a gift on behalf of BCB, individuals shall consult with the Board of Directors, to ensure due diligence prior to making a decision with respect to a gift which:

- i. might expose BCB to an uncertain and potentially significant liability
  - ii. is precedent-setting or involves sensitive issues
  - iii. may have come from illegal activities
  - iv. involves a proposal to name
  - v. because of its unusual nature, presents questions as to whether it is within the role and scope of BCB
  - vi. comes from a donor who has breached the BCB Code of Conduct and Ethics (see Appendix)
- 7.1 BCB's solicitation of gifts is informed by and consistent with priorities established by BCB.



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- 7.2 If funds sought and contributed for a BCB purpose are insufficient to make the project viable and BCB is unable to proceed, benefactors will be invited to redirect their contributions to an analogous purpose, and/or to curtail future pledged payments. If agreement cannot be reached the Board of Directors has sole discretion to allocate the funds to the area of greatest need.
- 7.3 Undesignated gifts shall be used for such purposes as BCB judges will best advance its mission.
- 7.4 Designated gifts shall be used expressly for the purposes for which they are given, which must be consistent with BCB's mission. It is recognized that some gifts may have to be tactfully declined due to designations either outside the mission and purpose of BCB or that may cause difficulties in administering the gift. All efforts will be made to find a designation that is mutually agreed upon.
- 7.5 On a regular basis BCB staff shall prepare a summary report of gift activity for review by the Fundraising Committee and/or Board of Directors.
- 7.6 The majority of gifts received will be processed by CanadaHelps, a public foundation with the registration number 896568417 RR 0001, who will issue official charitable receipts for on-line gifts including one-time donations, annual and monthly or multi-year pledges, and gifts of securities.
- 7.7 BCB will process and receive gifts directly when the donor is a registered charity and does not require an official charitable receipt, e.g. grants from other foundations.
- 7.8 BCB may elect to process and issue official charitable receipts in certain circumstances, including:
- i. in-kind gifts (other than gifts of securities)
  - ii. estate gifts
  - ii. cash gifts, if the amount is considered to be significant enough
- 7.9 BCB may choose to enter into sponsorship agreements with companies and corporations under the following guidelines:
- i. BCB will issue business receipts to acknowledge sponsorship from companies and corporations who contribute toward the cost of an activity or event if, in return, BCB advertises or promotes the business's brand, products or services.
  - ii. If a business receives the same level of recognition as all other donors, with no special treatment, and the recognition is minimal (e.g. a simple acknowledgment), a charitable receipt for the gift may be issued, upon request.
  - iii. BCB will not accept sponsorships, enter into business relationships, or accept external support that may compromise its ethics, public image or commitment to its mission and essential values.
- 7.10 Gift agreements will be recommended to the donor for pledge gifts of \$25,000 or more (e.g. a three to five year time period).
- 7.11 Terms of reference will be prepared for all deferred gifts with an estimated value of \$25,000 or more.



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7.12 BCB staff is responsible for tracking, recording and acknowledgement of all gifts and sponsorships, whether they are receipted by CanadaHelps, BCB directly, or are not officially receipted.

**a. Acceptance of Direct Current Gifts**

- i. All **cheques** given directly to BCB must be made payable to *Bowls Canada Boulingrin* and shall in no event be made payable to an employee, agent, or volunteer of BCB.
- ii. BCB shall accept **publicly traded securities** through the services of CanadaHelps, which will immediately sell such securities on the day they are received from the donor's institution. The donor shall receive a charitable tax receipt for the full market value of their securities, based on the close price on the day when the securities were transferred into CanadaHelps' account. In no circumstance shall any employee or volunteer working on behalf of BCB commit to a donor that BCB or CanadaHelps will hold a particular security.
- iii. At this time BCB shall not accept **crypto currency** unless agreed to by the Board of Directors.

**iv. Gifts-in-Kind**

- a. Gifts-in-kind will only be accepted if they meet the current needs of BCB.
- b. Gifts-in-Kind will only be receipted officially if the value of the gift is over \$5,000 and if the donor requests such a receipt.
- c. Gifts-in-Kind, if solicited, must be used for the purpose they were solicited for and for whom they were solicited. Only with the consent of the donor shall the gift be used for another purpose.
- d. All Gifts-in-Kind will be recorded as a donation with a specific dollar figure attached, whether the gift is receipted or not. If no receipts are provided for these gifts, staff will provide estimates of the worth of the donation.
- e. If necessary and when the gift warrants it, independent appraisal of the gift will be sought. A decision will be taken whether this appraisal shall be at the expense of the donor or that of BCB.

**v. Real Estate Property**

- a. No gift of real estate shall be accepted without prior approval of the Board of Directors.
- b. No gift of real estate shall be accepted without first being appraised by a party chosen by BCB who shall have no business or other relationship to the donor and is at 'arm's length' to BCB. An evaluation of the property must be done to the fullest ability of BCB prior to legal acceptance.
- c. No real estate shall be accepted that has on it a mortgage or other legal impediments.

**vi. Tangible Personal Property:**

- a. BCB shall not accept jewelry, artwork, collections, and other personal property unless there is reason to believe the property can be quickly disposed of.
- b. No personal property shall be accepted that obligates BCB to ownership of it in perpetuity unless authorized by the Board of Directors.
- c. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted.
- d. Personal property may be accepted if it is believed to have a value of \$5,000 or more and after review by the Board of Directors.



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- e. An appraisal qualifying under terms of Canada Revenue Agency governing gifts of property of this type shall be obtained.

### **b. Acceptance of Deferred Gifts**

- i. BCB or any of its agents shall not act as a Personal Representative, Executor or Trustee of a donor's estate.
- ii. BCB or any of its agents shall not act as Executor or Trustee of a charitable remainder trust.
- iii. When donors are provided planned giving illustrations or form documents such as sample will wording, these will contain the following disclaimer:  
"We strongly urge that you consult with your lawyer, notary, financial/tax advisor to review and approve this complimentary information. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way."
- iv. All information obtained from or about a donor shall be held in the strictest confidence. The name, amount or the conditions of any gift shall not be published without the express permission of the donor.

### **v. Bequests**

- a. BCB welcomes gifts through wills (bequests).
- b. In the event of inquiry by a prospective bequest donor, representations as to the future acceptability of property proposed to be left to BCB in a will or other deferred gift shall only be made in accordance with the terms and provisions of this document.
- c. Gifts from the estates of deceased donors consisting of property that is not acceptable shall be rejected only by action of the Board of Directors. The Chair of the Board shall expeditiously communicate the decision to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision, this fact shall be communicated to the Board as quickly as possible.
- d. Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations that might lead to unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Board and every attempt should be made to encourage the donor involved to conform their plans to BCB policy.

### **vi. Gifts of RRSP / RRIF**

Donors may arrange a deferred gift by naming BCB as beneficiary of their plan. In Quebec this deferred gift needs to be included as a gift in a will.

### **vii. Charitable Remainder Trusts**

BCB will encourage the use of the services of a Trust professional if a donor wishes to establish a Charitable Remainder Trust. Trusts are complex vehicles that are subject to sophisticated tax rules and the common law and it is our recommendation that they not be established without advice from expert counsel.

### **viii. Gifts of Life Insurance**

- a. BCB refers to the CAGP Guidelines for Charitable Donations of Life Insurance (Appendix E) and may accept ownership of a life insurance policy that meets the following criteria:
  - i. BCB is named both beneficiary and irrevocable owner of the policy



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- ii. the policy covers the life of the donor
    - iii. the policy will be fully paid up in a maximum of ten years
    - iv. BCB has received and reviewed the insurance illustration
  - b. In the case of a life policy, donated during the life of the donor:
    - i. the donor shall provide appropriate, independent evidence of the fair market value of the policy at time of donation
    - ii. the donor shall, through their broker, irrevocably transfer title to the insurance policy to BCB and provide documented evidence of such transfer
    - iii. in the event a donor does not make a gift equal to the amount of any premium payments due on a policy then BCB may liquidate the cash value of the policy and use the proceeds pursuant to the donor's intent
  - c. Rules relating to tax receipts applicable to life insurance policies:
    - i. for life policies where ownership is irrevocably transferred at time of gift, the value for tax receipting is the fair market value of the policy at that time, premiums paid subsequent to the transfer date are also eligible for the tax receipt in the amount of the premium
    - ii. for policies where ownership is not irrevocably transferred, and BCB is designated as the beneficiary on death, the value for tax receipting purposes is the value received by BCB on the death of the donor
    - iii. on an annual basis, BCB is to be advised by the broker of the amount of premiums paid under the policy
  - d. BCB will not agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life.
  - e. No insurance products may be endorsed for use in funding gifts to BCB.
  - f. Under no circumstance shall donor lists be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or BCB.
- ix. **Gift Acceptance with Donor Restrictions:**
- a. If a donor desires to initiate a new permanently restricted fund, a minimum investment of \$100,000 will be required.
  - b. BCB will accept gifts with donor-imposed restrictions on the use of the gift corpus and/or income as long as the Board of Directors, in accordance with prior published purposes and/or uses, approves the stated restrictions.
  - c. Written documentation, signed by the donor, clearly defining the donor-imposed restrictions should be obtained and maintained permanently.
  - d. All reasonable efforts should be made to encourage donors to make provisions to allow BCB to use the assets for an alternate purpose in the event the primary purpose is deemed no longer appropriate.
- x. **Endowed Funds**
- a. If a donor desires to endow a gift so that the capital is held in perpetuity, a minimum investment of \$100,000 will be required. The Board of Directors is responsible for assessing whether the terms of the proposed gift are acceptable and will fulfill the needs of BCB.
  - b. A percentage of endowed funds, determined by the Board of Directors but not less than 3.5 percent of the fair market value of the endowment, shall be disbursed annually, for the purpose designated by the donor, or determined by the Board, as the case may be.



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- c. Unrestricted gifts may be invested in an endowment fund at the discretion of the Board of Directors. These may be unrestricted bequests, unrestricted proceeds from life insurance policies and retirement accounts, or any other current or deferred gifts not designated by the donor for a particular purpose. While it is expected that these funds will be held in the endowment for the long term, the Board, in its discretion, may distribute capital as well as income for special projects or in the case of urgent financial need.
- xi. **Payment of Fees Related to Gifts**
  - a. Finder's Fees or Commissions
    - i. BCB will pay no fee to any person as consideration for directing a gift to BCB, as per the AFP Code of Ethical Standards (Appendix B).
  - b. Professional Fees
    - i. BCB will pay reasonable fees for professional services rendered in connection with the completion of a gift to BCB. Such fees will be paid only with prior written approval of the Board of Directors.
    - ii. Such fees will be paid only with the approval of the donor.
    - iii. Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must state in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients.
    - iv. In the case of legal, accounting and other professional fees, an attempt shall be made by the Board to ascertain the reasonableness of these fees prior to payment.
    - v. In cases where the donor initially employed the persons receiving fees and BCB is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in a reduced income tax deduction to the donor in the amount of the fees paid.

### Appendix List

- A. BCB Code of Conduct and Ethics ([here](#))
- B. AFP Code of Ethical Standards ([here](#))
- C. Donor Bill of Rights ([here](#))
- D. CAGP Code of Ethics ([here](#))
- E. CAGP Guidelines for Charitable Donations of Life Insurance ([here](#))

#### *Policy History*

*Original Approved Date: October 2021*

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