

Gift Acceptance and Valuation Policy

Version: 1 April 2024



GIFT ACCEPTANCE AND VALUATION POLICY

POLICY OVERVIEW:

The purpose of this Gift Acceptance and Valuation Policy ("GAVP") is to provide clarity about how GiveWise receives and stewards gifts (referred to as "donations").

The provisions of this Gift Acceptance and Valuation Policy apply to all donations received by GiveWise for any of its programs or services. Specific donations are considered on their merits, and final action is taken on those as authorized by the GiveWise Board of Directors.

This policy provides guidance to GiveWise regarding the planning, promoting, receipting, accepting, and disposing of charitable donations and provides that all donations accepted by GiveWise shall comply with charitable giving procedures according to all provincial and federal laws and regulations.

I. KEY TERMS & DEFINITIONS

Donation: A voluntary, irrevocable transfer of funds made by a donor without personal benefit. Cash donations generally include payments made by electronic funds transfer, cheque, money order, bank draft, debit card or credit card. Donations may also be made by way of the transfer of ownership of other tangible assets (for example, publicly-traded securities, retirement funds, land, etc.). Once received by a GiveWise, a donation is eligible for charitable receipting. Donations can also be referred to as contributions.

Donor: Any individual, corporation, foundation or other legal entity that makes a charitable donation to GiveWise.

Pledge: A signed and dated commitment to make a donation over a specified period, generally two or more years, payable according to terms set by the donor, with scheduled (monthly, quarterly, semi - annual, or annual) payments. Future promises do not constitute a donation and are not eligible for charitable receipting. Funds must be received by GiveWise to be eligible for a tax receipt.

Donations-in-Kind / Non-Cash Donations: Donations of property, including items such as donation certificates and donation cards (in certain circumstances), artwork, equipment, securities (including cryptocurrency), and cultural and ecological property. A contribution of service, that is, of time, skills or efforts, is not property and, therefore, does not qualify as a donation or donation in kind for purposes of issuing official donation receipts.

Inter Vivos Donation: A donation made from one or more persons, during the lifetime of those persons (i.e. prior to death).

Fair Market Value (FMV): FMV is generally considered the highest price, expressed in a dollar amount, that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, prudent, and are acting independently of each other.

Complex Assets:: A donation that is generally a non-cash donation, other than publicly traded securities.

Unreasonable: Generally considered beyond the normal scope of using good judgement.

Deferred Donation: A donation planned or pledged by an individual during her or his lifetime and made at a future date(s) during her or his lifetime, or as a testamentary donation (see definition below).

Personal Property: Refers to a personally owned asset, other than cash, including publicly traded securities or real estate or other assets, with a value that can be professionally determined (for example art, antiques, collections, vehicles, etc.).

Bequest: An amount that a registered charity receives from the will of a deceased person, as a donation of enduring property. Bequests are the most common of all deferred donations. Bequests may be made in the form of specific bequests, residual bequests or contingent bequests.

Pooled Fund: Individual donors can irrevocably contribute cash or appreciated investment securities to a self serve investment fund. Gains and losses will be reflected in the individual fund on an established cadence.

II. SPECIAL POLICY NOTATIONS

1. **Acceptance and Distribution of Donations:**

- a. **Oversight:** The Executive Director and Board of Directors shall delegate to designated employees or designates of GiveWise the ability to accept donations on behalf of GiveWise. The Executive Director and Board of Directors shall have the sole and absolute discretion on donations received which hold unclear, impossible, inadvisable, or impractical instructions for distribution. The Executive Director and Board of Directors shall also have the ability to recover costs for donations that require additional administrative and/or other professional advice.
 - b. **Compatibility:** All donations must align with the charitable purposes and objects of GiveWise.
 - c. **Prior Approval:** All donations that are unusual in nature must be referred to the Executive Director and Board of Directors for prior approval.
 - d. **Legal Advice:** GiveWise reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions and can seek to recover any excess fees incurred.
 - e. **Fundraising Appeals:** The Executive Director and Board of Directors will establish and approve any GiveWise initiated public appeal for the solicitation of donations.
 - f. **Internal Records:** All documentation regarding donors must be maintained and controlled by the Executive Director or designate. All donor information is confidential and unavailable to the public unless prior written consent of the donor is obtained or otherwise required to be disclosed by law.
 - g. **Fees or Commissions:** GiveWise will not pay fees to any person for directing a donation (i.e. incentive based fundraising)
 - h. **Ethics:** GiveWise also holds to a comprehensive policy on Ethical Fundraising and Financial Accountability, and the Donor Bill of Rights (in accordance with the Association for Fundraising Philanthropy).
2. **Professional or Appraisal Fees:** If professional or appraisal fees are necessary, GiveWise shall use best efforts to estimate the reasonableness of fees prior to payment and will ensure disclosure of same to

donor. Appraisals, where necessary, will be completed by individuals who are competent and qualified to appraise property and who have no conflict of interest.

3. **Retained Assets:** Subject to GiveWise's policies, the Foundation will work with prospective donors who wish to create or contribute to any retained asset funds that support the work of GiveWise. Such funds, once created, are managed according to the terms of GiveWise's Investment Policy Statement.
4. **Donation Acknowledgement & Valuation:** All accepted donations will be acknowledged immediately with a notification, and immediate access to an official tax receipt, if applicable. All official tax receipts for donations will comply with the Income Tax Act (ITA) and Regulations. GiveWise will follow CRA guidelines and standard practice guidelines for the industry in valuing all outright and deferred donations.
5. **Donor Recommended Donations to Charities:** For acknowledgement and recognition purposes, regarding donations given by GiveWise to qualified donee's at the original donor's request, GiveWise will disclose such donor's name, except for those donations specifically indicated by such donor as anonymous.
6. **Conflict of Interest:** GiveWise will be cautious in all dealings with donors to avoid even the appearance of impropriety. If a direct or indirect conflict of interest is disclosed to a GiveWise employee or designate, that employee or designate will refer this to the Executive Director.

III. GIFT ACCEPTANCE GUIDELINES

1. **Categories of Giving:** The donation stewardship programs at GiveWise generally consist of the following categories:
 - a. Non Donor-Restricted Donation Support
 - b. Donor-Advised Donation Support – Donations which hold specific advice to the application and use of the donation's principal and its income.
 - c. Donor-Restricted Donation Support – Spending of funds is confined to GiveWise Board approved programs and projects. Each contribution directed toward an approved program or project will be used as restricted by the terms of the donation, with the understanding that when the need for such a program or project has been met or cannot be completed for any reason as determined by the GiveWise Board, the remaining restricted contributions will be used where most needed.

The types of Donor-Restricted Donation Support include:

1. Donor-Restricted Donation Support for Special Projects – Example: A building fund
 2. Donor-Restricted Donation Support for Long-Term Purposes – Donations that hold specific restrictions as to the application and use of the donation's principal and its income, for example, 10-year donations.
2. **Types of Donations:** Donations can be generally categorized as either outright or deferred. GiveWise recommends that individuals seek Independent Legal Advice (ILA) prior to making any significant outright or deferred donations.
 - a. Outright Donations:

1. Cash Donations - This includes cash, cheques, electronic fund transfers, and credit card payments. All cheques shall be made payable to "GiveWise Foundation Canada". Cheques made payable to an employee, designate, or Director for credit to GiveWise will not be accepted as a donation to GiveWise.
2. Publicly-Traded Securities - GiveWise will accept only publicly-traded marketable securities to be sold immediately without restriction, unless the security complies with GiveWise Investment Policy Statement and it is the recommendation of the Investment Committee that the security is added to GiveWise's investment portfolio.
3. Cryptocurrency – GiveWise will accept donations of minimum \$5,000 CAD, of bitcoin (BTC) and Ethereum (ETH) only, to be sold (converted to CAD) immediately through the GiveWise Kraken Pro account. All donations of cryptocurrency need to be according to GiveWise Foundation Canada's *Instructions & Guidelines for Donation of Cryptocurrency* document.
4. Real Estate - All donations of real estate will be referred to the Executive Director and Board of Directors for prior approval. Prior to any acceptance of a donation of real estate, GiveWise may require the completion of the following, if appropriate: *arms-length appraisals, title search, a marketability check, an on-site evaluation, an environmental survey, determination of other costs or concerns.*
5. Personal Property - Unique donations will be considered by the Executive Director and Board of Directors. Acceptance is entirely at the discretion of the Executive Director and Board of Directors.
6. Personal Shares of Private Companies – Will be accepted provided there is a professional valuation and an accepted plan to liquidate the shares. Any costs therein are the responsibility of the donor.

b. Deferred Donations:

1. Estate Donations - Consist of bequests to GiveWise through a Will or Testamentary Trust. GiveWise reserves the right to decline any donations from the estate of a deceased donor that are not in compliance with this policy.
2. Planned Donations - Deferred donations may also consist, but are not limited to, the following types of planned donations:
 - a. Wills
 - b. Life Insurance
 - c. Donations in Kind
 - d. Registered Retirement Instruments
 - e. TFSA

3. **Donations that Cannot Be Accepted:** GiveWise reserves the right to decline a donation. The following examples justify such an action, although other situations may also result in a declined donation:
 - a. Any donation with features contrary to the charitable purposes and objectives of GiveWise.
 - b. Any donation that violates any provincial or federal laws.
 - c. Any restrictive clause that may bring unwarranted pressure or embarrassment to GiveWise, the Board of Directors, or its employee or designates.
 - d. Any donation that contains unreasonable conditions, liens, or other encumbrances.
 - e. Any donation that presents exposure to unacceptable liability.
 - f. Any donation that could financially or morally jeopardize the donor or GiveWise.

- g. Any donation where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for GiveWise.
- h. Any donation that could jeopardize GiveWise's charitable status.
- i. Any donation that could improperly benefit any donor.
- j. Any donation that holds a condition that is revocable in any way.

IV. DONATION VALUATION GUIDELINES

1. **Establishing the Value of the Donation** - GiveWise must be able to determine the FMV of any non-cash donations. Should GiveWise not be able to reasonably determine the FMV of a donation, the donor's acknowledgement will state a value of zero (\$0). If the FMV of an item can be easily determined (cash register receipt for new purchase), a third-party appraisal may not be required. The FMV of a donation-in-kind does not include taxes paid on purchasing the item.
2. **Guidelines** - Exceptions may be referred to the Executive Director and Board of Directors; however, GiveWise will be guided by the following:
 - a. Donations valued at less than \$1,000 - A person with sufficient knowledge may establish FMV, documenting the basis used for the estimate and any other pertinent information.
 - b. Donations valued at \$1,000 and over - FMV will be based on an independent appraisal completed by a qualified third party.
 - c. Donations of property - The property must be appraised by a competent and qualified individual in order to establish FMV. The name and address of the individual who complete the appraisal will be included on the official tax receipt. If the property was donated within ten years of acquisition or was acquired through a tax shelter arrangement, the deemed FMV rule will apply, as outlined by the CRA. The following exceptions apply: *donations made as a consequence of a donor's death, donations of inventory, real property situated in Canada, certified cultural property, donations of publicly-traded securities, ecological donations.*
 - d. Donations of Securities - FMV is based on the closing price of the units or shares recorded on the day the securities are received into GiveWise's brokerage account. GiveWise is not responsible for any loss in value that may occur between the donor's transfer of any security donation and its subsequent liquidation. GiveWise charges a \$50 flat fee for processing donations of securities and may also recover extraordinary administration expenses related to this transaction.
 - e. Donations-In-Kind - The date of FMV will be established as the date of title transfer. In the absence of any ability to determine valuation, the donor's acknowledgement will carry a stated donation value of zero (\$0).

V. CONTRIBUTION DATE GUIDELINES & TIMING OF RECEIPT

Generally, the date of contribution of any donation will be defined as the date on which the donor irrevocably relinquishes control of the property to GiveWise. If the donor is deceased, the valuation date is the day prior to death. The Estate Trustee Information letter must be retained.

If the date of the donation cannot be determined, the following guidelines will be used:

1. Personal Property - Donations of tangible personal property, no matter how delivered, are deemed to be accepted by GiveWise when title is transferred to GiveWise.

2. Credit and Debit Cards - Credit and debit card donations are deemed to be accepted on the day the GiveWise's account is credited, providing funds have sufficiently cleared the banking system.
3. Real Estate - A donation of real estate is accepted when the Deed is registered in the name of GiveWise.
4. Donation of Securities - *Based on delivery method:*
 - a. *Electronically Transferred* – The date the shares are received in the GiveWise's brokerage account. The copy of the brokerage activity sheet must be retained.
 - b. *Hand delivered* – The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are received at GiveWise official corporate office. The stamped date with this notation must be retained.
 - c. *Mailed* – The date the physical security certificates, the Authorization to Transfer Publicly Traded Securities Form are post marked. The envelope with the post mark must be retained.
5. Donation of Cryptocurrency – The value of the donation tax receipt will be the amount in CAD that GiveWise receives when it converts the received cryptocurrency into CAD. The amount credited to the donor's Giving Fund will be the net proceeds after all transactions performed to transfer the CAD funds into GiveWise's donations bank account. The donation will also be subject to a \$100 processing fee once it has been populated in the Giving Fund. The full explanation and an example can be found in the *Instructions & Guidelines for Donation of Cryptocurrency* document. Consult this document for timing for year-end contributions.
6. Donors may obtain a tax receipt on demand through their online Giving Fund throughout the year and will have access to a receipt with cumulative giving at the end of the giving year. Receipts for cash contributions reflect the amount, the date received into the account, and will be issued to the account holder making the contribution. Timing of receipt at year end can be critical. Please see schedule below for cut off dates.

CONTRIBUTION TYPE	ACTION REQUIRED	TIMING FOR YEAR-END CONTRIBUTIONS
Electronic Funds Transfer (Bank Transfer, Interac eTransfer) & Wire Transfer	<p>Bank Transfers can be initiated from within the GiveWise Platform by logging into fund.givewise.ca</p> <p>Interac eTransfers can be sent to donations@givewise.ca. Please be aware that eTransfers do not post on non-business days.</p> <p>Wire Transfers – Email support@givewise.ca for instructions.</p>	<p>Electronic Funds Transfers can take up to 3 business days to post, therefore it is recommended the transfer be sent with enough time to be sure GiveWise receives funds by the last business day of the year.</p> <p>Transfer must be received by GiveWise by end of day 31 December.</p>
Credit Card	Log into your Giving Fund on fund.givewise.ca and initiate the contribution by credit card.	Transaction must be completed by end of day 31 December.
Cheques	Mail to: GiveWise Foundation Canada 3251 Boxwood Court Abbotsford BC V3G 0A6	Cheque envelope must be postmarked on our before 31 December.
Marketable Securities	Complete the <u>Gift of Marketable Securities</u> form www.givewise.ca. Forward completed document to your broker and to donations@GiveWise.ca	Securities transfer can be a lengthy process and the transfer needs to be in complete custody of GiveWise by 31 December. Please discuss timelines with the initiating broker.
Cryptocurrency	Follow all steps as outlined in "Cryptocurrency Donation Instructions – GiveWise"	A Donation tax receipt for the current calendar year will be issued for a donation that is received into GiveWise's Kraken Pro account on or before 11:59 PM, December 31.

VI. CONCLUSION

The policies set out in this GAVP are intended to assist and provide guidance for employee or designates at GiveWise involved in receiving and receipting donations on behalf of GiveWise. All exceptions to this GAVP must be referred to the Executive Director and Board of Directors at GiveWise, especially those donations that: *might expose GiveWise to uncertain liability; are precedent setting or may involve sensitive issues; are perceived to come from illegal or unethical activities; or are from individuals or organizations whose philosophy and values could be considered inconsistent with the overall philosophy and values of GiveWise.*

POLICY CONTROL:

- Policy Inception Date: 2020.06.12
- Current Version: 2024.04.01
- Date Policy Approved: Motion for Approval 2024.04.19 Board Meeting
- Date for Review: 2026.04