A ROCHA
CANADA

Gift Acceptance and Valuation Policy (GAVP)

A Rocha Canada

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Contents

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1. INTRODUCTION

This Gift Acceptance and Valuation Policy (GAVP) provides guidance to A Rocha Canada employees regarding the planning, promoting, accepting, receipting, and distribution of charitable gifts. **This policy is designed to ensure that all gifts advance the mission of A Rocha Canada while honouring the expressed intentions of our donors in a manner that is both transparent and operationally effective.**

All gifts accepted by A Rocha Canada shall comply with charitable giving procedures in compliance with all provincial and federal laws and regulations.

A gift to A Rocha Canada must satisfy all of the following conditions to be of bona fide intention:

- Gift is transferred by a donor.
- The transfer is voluntary.

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- The transfer is made without any expectation of return; there is no consideration or benefit of any kind to the donor or to any person designated by the donor.

In accordance with these requirements, A Rocha Canada assumes all rights of control and ownership of gifts once received. A Rocha Canada will use gifts in ways consistent with its mission and purpose.

This GAVP will be reviewed by the ARC Board on a three-year basis or as circumstances may require. Recommendations for revisions to the policy may be requested by the National Management Team to the ARC Board.

2. Key Terms and Definitions:

- The **"National Management Team"** is comprised of the CEO, Vice-Presidents and chosen members in leadership positions. Please see the latest National Management Team meeting minutes for the most up to date list.
- The **"Board of Directors"** is comprised of the directors registered with the entity of A Rocha Canada.
- A **"donor"** is any individual, partnership, corporation, foundation or other legal entity that makes a charitable gift to A Rocha Canada.
- A **"gift"** is a voluntary transfer of property without consideration.
- A **"testamentary Gift"** is a transfer of assets or property specified in a person's will, taking effect only after their death and the will's probate. These gifts can be of real estate (a devise), personal property (a bequest), or general assets, legally established in the will for beneficiaries, with terms like "legacy" sometimes used broadly for both real and personal property.
- An "**inter vivos gift**" is a gift given by one or more living individuals to one or more other living individuals, not in anticipation of imminent death.
- The **"Fair Market Value (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.
- A gift that is **"unusual"** is generally a non-cash gift, other than publicly-traded securities.
- **"Unreasonable"** is generally considered beyond the normal scope of using good judgement.
- **"Hub"** refers to a primary centre of A Rocha Canada's programming and operations (e.g., BC, Northern BC, Manitoba, Ontario, National Office).
- **"Designated Gift"** is a gift for which the donor has indicated a preference that a gift be used for a particular Hub and/or funding area (General, Programs, or Capital).
- **"Restricted Gift"** is a gift for which the donor has specified a use, restricting it to a particular Hub and/or funding area (General, Programs, or Capital).

- **“Undesignated Gift”** is a gift provided to A Rocha Canada for general use, to be allocated at the discretion of the National Management team where funds are most needed.
- **“Hub - General” Designation**: A designation for gifts to be used where most needed for any of the charitable activities within a specific Hub.
- **“Hub - Programs” Designation**: A designation for gifts to be used for the direct program and operational expenses within a specific Hub.
- **“Hub - Capital” Designation**: A designation for gifts to be used for capital expenditures, such as land, buildings, or major equipment purchases, within a specific Hub.

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3. SPECIAL POLICY NOTATIONS

Acceptance and Distribution of Gifts – The National Management Team shall delegate to designated employees of A Rocha Canada the ability to accept gifts on behalf of A Rocha Canada. The National Management Team shall have the sole and absolute discretion on managing gifts received which hold unclear, impossible, inadvisable, impractical, or legacy instructions for distribution that do not align with A Rocha’s current Hub-based fundraising structure.

Gift Acknowledgement – All accepted gifts will be acknowledged by electronic or other means. Donors may receive an official tax receipt at the time of the gift, or a single, consolidated receipt at the end of the tax year. All official tax receipts for gifts will comply with the Income Tax Act (ITA) and Regulations.

Compatibility – All gifts must align with the charitable purposes and objects of A Rocha Canada.

Prior Approval – All gifts that are unusual in nature should be referred to the National Management Team for prior approval. A Rocha Canada reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions.

Related Costs – While A Rocha is generally pleased to accept gifts, it is careful to evaluate whether there may be related costs in the transfer of a gift. Gift-related costs such as legal fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property will normally be the responsibility of the donor unless A Rocha, upon prior agreement, agrees to assume responsibility for any portions of these items. A Rocha will also consider the terms and conditions associated with a gift; potential liabilities; insurance, maintenance, and disposal costs; or other administrative or professional costs, as required, and will discuss such costs with the donor so as not to unduly burden the organization.

Fees or Commissions – A Rocha Canada will not pay fees to any person for directing a gift (i.e. incentive-based fundraising). A Rocha Canada holds to a comprehensive policy on ethical fundraising and financial accountability.

Professional or Appraisal Fees – If professional or appraisal fees are necessary, A Rocha Canada shall use best efforts to estimate the reasonableness of fees prior to payment and will ensure disclosure of same to the donor. Appraisals, where necessary, will be completed by individuals who are competent and qualified to appraise property and who have no conflict of interest.

Gifts-in-Kind – Not all offers of Gifts in Kind are accepted by A Rocha Canada. A Rocha recognizes that donors will occasionally wish to give property that is not readily marketable (such as real estate, art, jewelry, private corporation shares or residuary interests in trusts), which may require unique arrangements and the approvals of the National Management Team. The date of "fair market value" will be established for inter vivos gifts as the date of title transfer. In the absence of any ability to determine valuation, the donor's acknowledgement will carry a stated gift value of zero ($0). The proper valuation processes are set forth in Section IV, Gift Valuation Guidelines, of this GAVP. A Gift-in-Kind Information Form will be used for the purpose of accepting all gifts-in-kind for A Rocha Canada, except for gifts of securities (see Appendix I for a sample).

Gift Valuation – A Rocha Canada will follow standard practice guidelines for the industry in valuing all outright and deferred gifts (e.g. Estates, Wills, Pledges). The proper process of valuing non-cash property will be made pursuant to Section 5, Gift Valuation Guidelines of this GAVP.

Gifts of Service – Canada Revenue Agency (CRA) legislation prohibits an organization from issuing a charitable receipt for a gift of service.

Endowed Fund Agreements – A Rocha Canada can receive gifts toward endowed funds. Donors will need to work directly with A Rocha staff to develop a fund agreement prior to the gift being made. Fund agreements will clearly specify that it is the responsibility of the Board to approve all disbursements of net income from endowed funds, to be used in the manner, spirit and intent of the donor's wishes. All fund agreements must be reviewed and approved by the staff person responsible for Advancement.

Conflict of Interest – A Rocha Canada will be cautious in all dealings with donors in order to avoid even the appearance of impropriety. If any potential conflict of interest is disclosed to an A Rocha Canada employee, that employee will refer this to the National Management Team for determining how to make a decision about the gift.

Gifts that cannot be accepted – A Rocha Canada reserves the right to decline a gift. The following examples justify such an action, although other situations may also result in a declined gift:

- Any gift with features contrary to the charitable purposes and objects of A Rocha Canada
- Any gift that violates any provincial or federal laws
- Any restrictive clause that may bring unwarranted pressure or embarrassment to A Rocha Canada, the Board of Directors or its employees
- Any gift that contains unreasonable conditions, liens or other encumbrances
- Any gift that presents exposure to unacceptable liability
- Any gift that could financially or morally jeopardize the donor or A Rocha Canada
- Any gift where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for A Rocha Canada
- Any gift that could jeopardize A Rocha Canada’s charitable status
- Any gift that could improperly benefit any donor
- Any gift that holds a condition that is revocable in any way

Fundraising Appeals – The National Management Team will establish and approve any formal appeal for the solicitation of gifts.

Internal Records – All documentation regarding donors must be maintained and controlled by the Donor & Database Administrator. 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.

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4. GIFT ACCEPTANCE GUIDELINES

A Rocha Canada recommends that individuals seek Independent Legal Advice (ILA) prior to making any significant gifts.

A Rocha Canada’s Donor-Designated Gift Policy:

While the preference is for donors to give unrestricted gifts, some donors may wish to give designated gifts. A Rocha Canada is pleased to honour the intentions of our donors by accepting designated gifts that align with our strategic priorities. We do not make it a habit of accepting externally restricted gifts other than for capital, grants and international projects. Donors may designate their gifts in the following ways:

1. **Undesignated (Where Most Needed):** Gifts not designated by the donor will be treated as Undesignated and used for A Rocha Canada's national priorities at the discretion of the CEO. This provides the greatest flexibility to respond to emerging needs and opportunities across the country.
2. **Designated to a Hub:** Donors may designate their gifts to support the work of a specific A Rocha **Hub** (e.g., BC, Northern BC, Manitoba, Ontario, or National Office). Within each Hub, a donor can further direct their gift to one of three funding areas:

    - **Hub - General:** This is the preferred designation for gifts to a Hub. It allows the local leadership to direct the funds to the area of greatest need within that Hub.
    - **Hub - Programs:** This designation directs funds to the program areas and operational expenses of the Hub.
    - **Hub - Capital:** This designation directs funds toward approved capital projects within the Hub, such as land acquisition, building construction or renovation, or major equipment purchases.

Fundraising appeals may highlight specific and timely projects as illustrations of A Rocha's work. Unless explicitly stated otherwise in a formal gift agreement, gifts raised through such appeals will be directed to the corresponding Hub and Designation (e.g., General, Programs or Capital) to support the full scope of work in that area, including the highlighted project.

Use of Designated Contributions – A Rocha Canada is committed to using all designated gifts for the purpose intended by the donor. Should the needs of a specific designated program or project be fully met, become impossible to complete, or no longer align with the strategic direction of the organization, **A Rocha Canada reserves the right to redirect the contribution to another similar program or project within the same Hub, or to the Hub's General Fund, to meet other pressing needs.**

Discontinued Designations – Where a gift is designated to a program or project name that is no longer in use, A Rocha Canada will make every effort to direct the gift to its modern equivalent within the Hub structure (e.g., a gift to the "Surrey Brooksdale Summer Camp" would be directed to "BC - Education").

Outright Gifts:

- **Cash and Cheques.** This shall include credit card donations. All cheques shall be made payable to A Rocha Canada. Cheques made payable to an employee or a Director for credit to A Rocha Canada will not be accepted as a gift to A Rocha Canada.
- **Publicly-Traded Securities.** A Rocha Canada will accept only publicly-traded marketable securities that are to be sold immediately without restriction.
- **Real Estate.** All gifts of real estate will be referred to the National Management Team and the Board of Directors for prior approval. Prior to any acceptance of a gift of real estate, A Rocha Canada 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
- **Personal Property.** Unusual gifts will be considered by the National Management Team with consideration for the asset's value and depreciation. Acceptance is entirely in the sole discretion of the National Management Team.

Planned Gifts:

- **Estates and Bequests.**
    - The A Rocha staff involved with a potential donor must always advise that a professional advisor draw up the Will of a donor considering a testamentary gift to A Rocha.
    - A donor who advises A Rocha, normally in confidence, of a proposed bequest gift to A Rocha, may be asked to provide a copy of that section of the Will naming A Rocha.
    - The donor may also wish to execute a written directive with A Rocha, directing the use of the proposed gift. This must be done in consultation with A Rocha staff.
    - A Rocha staff members will not serve as executor or witness of a donor's Will, except in the case of a family member.
- **Other Planned Gifts.**
    - **Life insurance.** There are various methods by which a life insurance policy may be donated to A Rocha. A donor may:
        - Commence a life insurance policy of which A Rocha is the owner and beneficiary.
        - Assign irrevocably a paid-up policy to A Rocha.
        - Assign irrevocably a life insurance policy on which premiums continue to be paid by the donor, with a charitable tax receipt issued for premium amounts.
        - Name A Rocha as a primary or successor beneficiary of the proceeds. A charitable tax receipt would be issued only when the donor passes and the policy is paid out to A Rocha (issued to the estate).
- Please consult with an A Rocha Canada staff when considering other forms of deferred gift structures, such as charitable gift annuities, charitable remainder trusts, or charitable lead trusts.

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5. GIFT VALUATION GUIDELINES

Establishing the Date of the Gift – Generally, the date of any contribution will be defined as the date, or any day after if that date is not ascertainable, on which the donor irrevocably relinquishes control of the property to A Rocha Canada. If the donor is deceased, the valuation date is the day prior to death. In such a case, the Estate Trustee Information letter must be retained.

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

- **Personal Property:** Gifts of tangible personal property, no matter how delivered, are deemed to be accepted by A Rocha Canada when title is transferred to A Rocha Canada.

- **Credit and Debit Cards:** Credit and debit card gifts are deemed to be accepted on the day the A Rocha Canada's account is credited, providing funds have sufficiently cleared the banking system.
- **Real Estate:** A gift of real estate is accepted when the Deed is registered in the name of A Rocha Canada.
- **Gift of Securities** (Based on delivery method):
  - **Electronically Transferred**: The date the shares are received in the A Rocha Canada brokerage account. The copy of the brokerage activity sheet must be retained.
  - **Hand delivered**: The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are received at the A Rocha Canada office. The stamped date with this notation must be retained.
  - **Mailed**: The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms are postmarked. The envelope with the postmark must be retained.

Establishing the Value of the Gift – A Rocha Canada must be able to determine the FMV of any non-cash gifts. Should A Rocha Canada not be able to reasonably determine the FMV of a gift, the donor's acknowledgement will state a value of zero ($0). If the FMV of an item can be easily determined (e.g. official transaction receipt for new purchase), a third-party appraisal may not be required. The FMV of a gift-in-kind does not include taxes paid on purchasing the item.

Exceptions may be referred to the National Management Team; however, A Rocha Canada will be guided by the following:

- **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.
- **Donations valued at $1,000 and over.** FMV will be based on an independent appraisal completed by a qualified third party.
- **Fair Market Value (FMV).** Gifts of property are subject to a deemed FMV rule, which applies to any property donated within three years of acquisition or acquired through a gifting arrangement. The deemed FMV is the lesser of the actual FMV or the donor's cost to acquire the property, or in the case of capital property, the adjusted cost base, with the following exceptions:
  - Gifts made as a consequence of a donor's death
  - Inventory
  - Real estate situated in Canada
  - Certified cultural property
  - Gifts of publicly traded securities
  - Ecological gifts
- **Gifts of Securities.** FMV is based on the closing price of the units or shares recorded on the day the securities are received into A Rocha Canada's partner brokerage account.

6. CONCLUSION

The policies set out in this GAVP are intended to assist and provide guidance for employees at A Rocha Canada involved in receiving and receipting gifts on behalf of A Rocha Canada. Any exceptions to this GAVP must be referred to the National Management Team who shall then refer the issue to the ARC Board at A Rocha Canada, especially those gifts that:

- might expose A Rocha Canada to uncertain liability
- are precedent setting or may involve sensitive issues
- are perceived to come from illegal or unethical activities
- are from individuals or organizations whose philosophy and values could be considered inconsistent with the overall philosophy and values of A Rocha Canada.
- involve a designation that falls outside of the approved Hub-based funding structure described in Section III.

This GAVP will be reviewed by the ARC Board on a three-year basis or as circumstances may require. Recommendations for revisions to the policy may be requested by the National Management Team to the ARC Board.