



## OXFAM CANADA GIFT ACCEPTANCE POLICY

Oxfam Canada is committed to building lasting solutions to poverty and injustice with a focus on women's rights. As such, we welcome gifts by individuals, corporations and foundations that are in support of our mission, and gifts which enhance our programs.

The Fund Development Department is primarily responsible for soliciting, receiving, recording, receipting, acknowledging and recognizing donations from **non-government** sources to Oxfam Canada. Only the Fund Development Department may issue official charitable gift tax receipts on behalf of Oxfam Canada.

It is the responsibility of this Department to ensure that the highest standards of professionalism are followed in the development of philanthropic relationships, in the solicitation of gifts and in working with donors and their advisors. The Director, Fund Development is required to report to the Senior Management Team and the Board of Oxfam Canada all gifts over \$100,000 that have been accepted by Oxfam Canada, including anonymous gifts (donor ID not revealed).

### I. GIFT DEFINITION

The Income Tax Act (Canada) encourages taxpayers to support the activities of registered charities and certain other recipients (qualified donees) by allowing gifts to such donees to qualify for special tax treatment. Common law defines a gift as "a voluntary transfer of property owned by a donor to a donee, in return for which no benefit or consideration flows to the donor". Donors to Oxfam Canada may be eligible for a charitable gift receipt that may be claimed as a non-refundable tax credit on an income tax return.

### II. GIFT RECEIPTS

The amount declared on a charitable gift receipt is determined by its fair market value on the date the gift is received by Oxfam Canada. If the donor receives any benefit or consideration ("advantage") in return for a gift – beyond the minimum benefit allowed – the charitable gift receipt is reduced by the fair market value of the advantage, which cannot exceed 80% of the value of the property transferred. If the value of the advantage cannot be assessed then no gift receipt may be issued.

The Canada Revenue Agency (CRA) has determined that the following transactions do not qualify for charitable gift receipts: a gift of service, gift certificates from the issuer, the purchase of an item or service from Oxfam Canada, sponsorship of events or projects for which the donor retains right of property, contributions that require advertising a corporate logo, and other quid pro quo sponsorship arrangements.



### III. TYPES OF GIFTS ACCEPTABLE BY OXFAM CANADA

**Cash, credit card or cheque.** Oxfam Canada may accept gifts made by cash, credit card, preauthorized checking, payroll deduction or cheque — whether as a one-time gift, pledge payment, annual gift or monthly gift.

#### **Securities and mutual funds**

Oxfam Canada may accept gifts of publicly traded securities (stocks, bonds, ETFs, etc.) and mutual funds. These gifts should be made *in specie* to qualify for the maximum tax benefits. The value of the gift receipt will be based on the closing price of the shares on the date they are received in Oxfam Canada's brokerage account. It is the policy of Oxfam Canada that shares will be sold immediately upon receipt into the brokerage account. Donations of private securities will be considered on an individual basis.

#### **Bequests**

Oxfam Canada may accept gifts made by will or trusts.

#### **Direct beneficiary designations**

Oxfam Canada may accept the residuum of funds held in registered pension funds, RRSP, RRIF, TFSA, brokerage accounts, etc., where Oxfam Canada has been named as a direct beneficiary of the account or where the organization is a designated beneficiary of the account specified in a person's last will and testament.

#### **Life insurance**

Oxfam Canada will consider accepting charitable gifts of life insurance policies on an individual basis where ownership and beneficial status are conferred by the gift. Due to the unique nature of policies, each will be assessed on its own merits. If accepted, the value of the gift receipt may be based on fair market value determined through an independent appraisal by a qualified actuary. Ongoing premium payments made by the donor to the insurance company are receiptable annually upon confirmation of payment by the insurance company.

#### **Gifts-in-kind**

Oxfam Canada will consider accepting gifts-in-kind (non-cash gifts of property) on an individual basis. Gifts of collections, equipment, software, etc., must be pre-approved by the Senior Management Team, Director or Department head and suitable for use by the organization before transfer of ownership is contemplated.

Gifts-in-kind of Real Estate will be considered on an individual basis. In most cases the property will be sold and the net proceeds of sale will be applied to the pre-approved purpose for the donation. Value of gift receipts will be determined by an independent, qualified appraiser.



### **Gifts of residual interest in real estate**

Gifts of residual interest in real estate will be considered on an individual basis. This gift plan requires irrevocable transfer of ownership of property and a registered agreement describing the donor's life interest remaining in the property. In general, the value of the gift receipt is based on an actuarial calculation of the donors' life interest(s) deducted from the fair market appraisal of the current and/or future values of the property.

### **Charitable Remainder Trust (CRT)**

Gifts made in the form of Charitable Remainder Trusts will be considered on an individual basis. This gift plan requires an irrevocable transfer of property into a trust by deed of gift and must be pre-approved by Oxfam Canada. If accepted, Oxfam Canada shall be named as the capital beneficiary (i.e. the 'charitable remainder') of the property. Value of the gift receipt is determined by an actuarial calculation of the donors' life interest(s) deducted from a fair market appraisal of the current value of the property by a qualified appraiser. It is normally the donor's responsibility to arrange and pay for the creation of a Charitable Remainder Trust while working with qualified members of the Fund Development Team.

### **Charitable gift annuity**

Oxfam Canada may issue charitable gift annuities by utilizing a third-party insurer to guarantee payments to the annuitant. A charitable gift annuity is an arrangement that enables donors to make an immediate gift and receive tax advantaged income for life for either themselves or a designated beneficiary. In general, the value of the gift receipt is determined by the full amount of the annuity agreement minus the cost of servicing the lifetime income through a commercial annuity contract.

## **IV. PRINCIPLES OF GIFT ACCEPTANCE**

Oxfam Canada will consider the following principles before a gift is accepted. The Department of Fund Development is responsible for ensuring that the organization abides by these principles. To be considered for acceptance, a gift:

1. Must be given with charitable intent;
2. Must not compromise the credibility and integrity of Oxfam Canada;
3. Must further the charitable mission and purposes of Oxfam Canada;
4. Must comply with federal, provincial and municipal laws, the Ontario Human Rights Code, Oxfam Canada's Equity and Human Rights Policies, and must not jeopardize the organization's status as a registered charity;
5. Must not result in unwarranted or unmanageable expense to Oxfam Canada;
6. Must not improperly benefit any individual, including the donor, nor require that Oxfam Canada deviate from its normal hiring, promotion and contracting procedures.

When an offer of a charitable gift is considered by the Department of Fund Development to be contrary to the Organization's best interests, to be contentious or unusual, the Director, Fund Development will provide a report to the Senior Management Team, who will in turn provide this information to the Oxfam Canada Board. The final decision to accept or decline any such gift rests with the Executive Director and will inform the Board Chair.



## V. GIFT ACCEPTANCE AUTHORIZATION PROCESS

- Gifts under \$100,000 are approved by the Director, Fund Development;
- Gifts over \$100,000 but under \$1 million dollars are approved by the Director, Fund Development, the Senior Management Team and the Executive Director;
- Gifts of \$1 million dollars and over are approved by the Director, Fund Development, the Executive Director and Senior Management Team, and the Board of Directors.

## VI. GIFT DESIGNATION

The purpose of gift designation is to provide donors some discretion in the use of their donation in line with Oxfam Canada's present or future programs. While Oxfam Canada wishes to provide donors some discretion in the use of their donation.

The following elements will be considered when accepting designated gifts:

- Donors have the discretion to designate that their gift be used to support a specific program or thematic area that is in alignment with Oxfam Canada's strategic framework and operational plans. Oxfam Canada will not accept designated gifts for an area or purpose that is not in line with its strategic framework and operational plans.
- Oxfam Canada does not set a minimum amount for designated gifts.
- Designated gifts for areas where Oxfam Canada would be required to initiate a new initiative will be assessed on a case-by-case basis. Oxfam Canada will only accept these exceptional designated gifts where the donor makes a sizeable on-going commitment (greater than \$40,000 per year for three years).
- Fifteen (15) per cent of all designated gifts will be applied to operational overhead, with the exception of disaster relief where ten (10) per cent will be allocated to operational overhead.
- In the event that Oxfam Canada is unable to use designated gifts within two years for their intended purpose, Oxfam Canada will redirect the funds to a similar initiative (Sunset Clause).

Sunset clause for designated gifts:

- Oxfam Canada will include a declaration in our print materials and on our web site that when an initiative is complete or the funds are no longer required, any balance remaining from a designated gift will be applied to a related purpose (for example, funds designated for a specific humanitarian emergency may be redirected to OCA's Emergency Response Fund). The declaration will specifically state that designated gifts that cannot be spent within two years of receipt will be reallocated to a related purpose.
- To facilitate the efficient application of the sunset clause in the case of humanitarian emergencies, the Oxfam Canada Emergency Response Team will set a cutoff date for accepting disaster relief funds in the context of each humanitarian appeal. Any additional funds raised past this date will be directed to Oxfam Canada's Emergency Response Fund rather than designated for the specific



appeal. This will be clearly articulated on all communications related to Oxfam Canada humanitarian appeals.

Oxfam Canada will always encourage donors to contribute to General Support first. A case for support for unrestricted gifts will provide fundraising staff with a sample script which describes Oxfam's work and encourages support to our general aims and objectives without precluding or discouraging donors who wish to designate their gift to a specific initiative.

## **VII. RESPONSIBILITY TO DONORS**

Oxfam Canada holds all donors in high esteem. Without exception, Oxfam Canada's donor relationships are of utmost priority.

The Department of Fund Development helps donors and their advisors to designate gifts that meet each donor's philanthropic and financial objectives within the context of Oxfam Canada's needs and priorities. Oxfam Canada has an ethical responsibility to every donor. All staff, volunteers and professional representatives acting on behalf of Oxfam Canada will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. At all times, advisors working with donors or prospective donors to Oxfam Canada will keep all information, data, or other communications strictly confidential. The professional standards and code of behaviours set out by the Association of Fundraising Professionals (AFP) and the Canadian Association of Gift Planners (CAGP) will serve as the ethical guidelines when raising funds for Oxfam Canada.

## **VIII. USE OF LEGAL COUNSEL**

OCA encourages donors to seek the advice of independent legal and tax counsel if the proposed gift is a Planned Gift and/or if OCA has any reason to believe the proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.

## **IX. POLICY REVIEW & APPROVAL TIMELINE**

The Finance and Audit Committee shall review this policy once every three years and recommend any amendments to the Board.

Policy Owner	Finance and Audit Committee
Department	Fundraising Department
Last Approved by the Board	February 2021
Next review date	February 2024