



The YMCA of
Hamilton/Burlington/Brantford

[GIFT ACCEPTANCE & FUNDRAISING PRACTICES]

June 2021 Review

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INTRODUCTION

The YMCA of Hamilton/Burlington/Brantford is a registered charity that engages in fundraising activities. It welcomes gifts from individuals, associations, corporations, foundations and other donors to support its values, mission, vision and mandate. The Association encourages and solicits contributions of cash, securities, and personal and real property, either as outright gifts or through gift planning vehicles as are permitted by law and regulation.

The following document outlines the policies and procedures that govern the YMCA of Hamilton/Burlington/Brantford's fundraising practices.

This document will be reviewed by the Board every three years.

GLOSSARY OF TERMS

ADVANTAGE

According to Canada Revenue Agency, advantage is the total fair market value of all property, services, compensation, or other benefits that a donor receives or is entitled to receive in return for making a gift. The benefits may be contingent or receivable in the future, by either the donor or any person or partnership not dealing at arm's length with the donor. Also referred to as a Benefit.

ASSOCIATION

All employees, volunteers and members of the YMCA of Hamilton/Burlington/Brantford; members of the Board; members of committees and Campaign Cabinets; and groups affiliated with the YMCA of Hamilton/Burlington/Brantford.

BENEFIT OF NOMINAL VALUE

According to Canada Revenue Agency, a benefit of nominal value is where a charity offers an item, privilege or other benefit in return for a donation but the Fair Market Value of said benefit does not exceed the lesser of \$75.00 or 10% of the amount of the gift.

BEQUEST

Property a registered charity receives from the will of a deceased person.

BOARD

The body of volunteers tasked with directing the YMCA of Hamilton/Burlington/Brantford.

CHARITABLE DONATION

According to Canada Revenue Agency, a charitable donation is a voluntary transfer of property, cash or in-kind, to a charity intended to enrich the charity. There is no expectation of return on the part of the donor. Gifts may be monetary (cash, cheque and credit card), or non-monetary (examples: securities, real property or personal property).

DESIGNATED/RESTRICTED GIFT

A charitable contribution (as defined under Gift) with the stipulation that the funds be used for a specified purpose (i.e., an approved project or program).

DISBURSEMENT QUOTA

According to Canada Revenue Agency, disbursement quota is the minimum amount a registered charity has to spend on charitable activities or gifts qualified donees to keep its registered status.

DONATION OF SERVICE

A donor gives time, skill or effort. Because service is not deemed property, donation of service is not considered a gift by Canada Revenue Agency.

DONOR

A person, corporation or foundation that makes a gift.

ELIGIBLE AMOUNT

According to Canada Revenue Agency, eligible amount is the part of a gift for which a charity can issue an official receipt for income tax purposes. Generally, this is the amount by which the fair market value of the gift exceeds the amount of any advantage given in respect of the donation.

FAIR MARKET VALUE

According to Canada Revenue Agency, fair market value generally means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are each knowledgeable, informed and prudent, and who are acting independently of each other.

GIFT

According to Canada Revenue Agency, a charitable donation is a voluntary transfer of property, cash or in-kind, to a charity intended to enrich the charity. There is no expectation of return on the part of the donor. Gifts may be monetary (cash, cheque and credit card), or non-monetary (examples: securities, real property or personal property).

GIFT-IN-KIND

A gift other than cash.

OFFICIAL RECEIPT

Also called a charitable tax receipt. A statement issued by the charity to donors with specific information and subject to particular requirements under Canada's Income Tax Act.

PLANNED GIFT

A gift of assets given to a charity as a result of gift planning.

PLEDGE

A promise to make a donation in the future. It is not a gift until the charity actually receives the donation.

QUALIFIED SECURITY

A security that is traded on a recognized stock exchange.

SPONSORSHIP

When a business makes a donation to a charity and in return receives advertising or promotion of its brand, products or services.

UNDESIGNATED/UNRESTRICTED GIFT

A gift given to charity, where no restriction is imposed or use is designated by the donor.

FUNDRAISING GOVERNANCE POLICY

Classification:	Philanthropy
Approving Authority:	Board of Directors
Approval Date:	September 2019
Last Editorial Change:	February 27, 2015
Mandated Review:	March 2022

Associated Procedures:

PURPOSE

The purpose of the YMCA of Hamilton/Burlington/Brantford's Fundraising Governance Policy is to outline roles and responsibilities in regard to fundraising and fundraising proprieties within the Association.

POLICY

Fundraising and gift acceptance activities of the YMCA of Hamilton/Burlington/Brantford are the responsibility of staff and volunteers across the Association, as governed by the Board and CEO, and supported and directed by the Development Office.

The CEO has authority for the Association's fundraising priorities and activities. The CEO may delegate the responsibility of fundraising priorities and activities.

The Vice President of Development is responsible for reporting to the Board of Directors on fundraising activities, priorities and gift acceptance. This is done during regularly scheduled Board meetings.

The Development Office and staff, under the direction and authority of the Vice President of Development, are responsible for the day to day administration and coordination of all fundraising and gift acceptance activities for the Association.

Non-development staff, members and volunteers of the YMCA of Hamilton/Burlington/Brantford, under the guidance of the Development Office, will be asked to assist in helping the Association achieve its overall fundraising goals.

The Association's fundraising and gift acceptance activities shall be coordinated in a way that best serves the interests of the Association and supports the Association's priorities to the fullest extent possible.

FUNDRAISING & DONOR ACCOUNTABILITY POLICY

Classification: Philanthropy
Approving Authority: Board of Directors
Approval Date: **September 2019**
Last Editorial Change: March 24, 2015

Associated Procedures: Procedures for Fundraising & Donor Accountability

PURPOSE

The purpose of this policy is to define YMCA of Hamilton/Burlington/Brantford policies with regard to accountability to donors and fundraising integrity, in a manner consistent with encouraging the highest ethical standards as a registered charity, while promoting the Association as the charity of choice in the communities which we serve.

JURISDICTION/SCOPE

This policy applies to all employees, volunteers and members of the YMCA of Hamilton/Burlington/Brantford who actively engage in fundraising or the promotion of fundraising for the Association within the community at large.

POLICY

Donor Rights

All donors are entitled to receive an official receipt for income tax purposes for the amount of the donation. The Association has established the minimum donation amount of \$20 for the automatic issuance of receipts. However, smaller donations will be receipted upon request by the donor. Donors of eligible gifts-in-kind are entitled to receive an official receipt that reflects the fair market value of the gift, according to Canada Revenue Agency guidelines. Eligibility for official receipts for non-monetary (in-kind) gifts is to be determined prior to the acceptance of the gift.

All fundraising solicitations by or on behalf of the YMCA of Hamilton/Burlington/Brantford will disclose the YMCA of Hamilton/Burlington/Brantford's name and the purpose for which the funds are requested. Printed solicitations, regardless of how transmitted, will include the address and contact information.

Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the YMCA of Hamilton/Burlington/Brantford is an employee, a volunteer, or a consultant.

Donors and prospective donors will be encouraged to seek independent professional advice if the YMCA of Hamilton/Burlington/Brantford has any reason to believe that a proposed donation might significantly and adversely affect the donor's financial position or taxable income.

Donors and prospective donors are entitled to promptly receive, upon request:

- The YMCA of Hamilton/Burlington/Brantford's most recent audited financial statements;
- The YMCA of Hamilton/Burlington/Brantford's charitable registration number as assigned by the Canada Revenue Agency;

- Any information contained in the public portion of the Association's most recent T3010 form as submitted to the Canada Revenue Agency;
- A list of names of the Board Members of the YMCA of Hamilton/Burlington/Brantford; and
- A copy of this Fundraising & Donor Accountability policy.

Donor requests to remain anonymous will be respected.

Donor privacy is of the utmost importance to the Association. Donor records maintained by the YMCA of Hamilton/Burlington/Brantford, both paper and electronic, will be kept confidential to the greatest extent possible. All staff and volunteers must sign confidentiality agreements. Donors have the right to see their own donor record, and to challenge its accuracy.

Every effort will be made to honour donor requests. These include, but are not limited to,:

- a) Limit the frequency of solicitation;
- b) Not to be solicited by certain means, including by phone or by other technology;
- c) Not to receive printed material related to fundraising activities at the YMCA of Hamilton/Burlington/Brantford.

The Association values its donors and will endeavour to protect donors from multiple approaches for gifts from staff and volunteers acting on behalf of the YMCA of Hamilton/Burlington/Brantford in promoting or soliciting gifts. Appropriate internal discussion and consultation, facilitated by the Development Office, will occur to approaching or making commitments to donors.

The YMCA of Hamilton/Burlington/Brantford will respond promptly to complaints from donors and prospective donors. The Vice President of Development will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that he/she may communicate with the CEO.

Fundraising Practices

Fundraising solicitations of behalf of the YMCA of Hamilton/Burlington/Brantford will be truthful and accurately describe the intended use of funds.

Staff and volunteers soliciting funds on behalf of the YMCA of Hamilton/Burlington/Brantford shall:

- a) Adhere to this Donor and Fundraising Accountability Policy;
- b) Adhere to the AFP Code of Ethical Standards
- b) Act with fairness, integrity and in accordance with all laws, professional codes and standards of practice;
- c) Cease solicitation of a prospective donor who identifies the solicitation as unwelcomed;
- d) Disclose immediately to the Association any actual or apparent conflict of interest; and
- e) Not accept donations for purposes that are inconsistent with the Association's objectives or core values.

Development staff undergoes an annual review of the YMCA of Hamilton/Burlington/Brantford's Gift Acceptance & Fundraising Practices document and the AFP Code of Ethical Standards.

The YMCA of Hamilton/Burlington/Brantford will not rent, exchange or otherwise share its donor list with any individual or organization, unless required by law.

The YMCA of Hamilton/Burlington/Brantford does not pay finders' fees, commissions or other payments to anyone based on either the number of gifts received or the value of funds raised. Paid fundraisers, whether staff or consultants, will be compensated by salary, retainer or fee. Compensation policies for fundraisers, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with YMCA of Hamilton/Burlington/Brantford policies and practices that apply to non-fundraising personnel.

The YMCA of Hamilton/Burlington/Brantford is committed to reporting on a regular basis to donors on the Association's fundraising activities.

Financial Accountability

The YMCA of Hamilton/Burlington/Brantford's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal regulators.

All donations will be used to support the YMCA of Hamilton/Burlington/Brantford objects, as registered with Revenue Canada.

The YMCA of Hamilton/Burlington/Brantford encourages donors to give undesignated and unrestricted gifts so that funds may be directed to where the need is greatest. However, the YMCA of Hamilton/Burlington/Brantford acknowledges the importance of and will support designated/restricted gifts where the designation is consistent with the mission and priority needs of the Association. All restricted or designated donations will be used for the purposes for which they are given. If, due to program or organizational changes, the need arises to make alternative use of these funds, every attempt will be made to discuss alternatives with the donor or donor's legal designate. If no agreement can be reached with the donor or his/her legal designate about alternative uses for the restricted or designated gift, the YMCA of Hamilton/Burlington/Brantford will apply the gift to an alternative program that in its estimation, achieves a similar outcome. In cases where the donor is deceased or incompetent, and there is no legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

No more will be spent on administration and fundraising than is required to ensure effective management of the organization. The YMCA of Hamilton/Burlington/Brantford will meet or exceed all Canada Revenue Agency requirements for expenditures on charitable and other activities.

The YMCA of Hamilton/Burlington/Brantford will make externally-audited financial statements available to the public each year in within six months of the conclusion of its fiscal year.

Development and Finance staff undergoes an annual review of charitable tax receipting procedures to ensure adherence with current Canada Revenue Agency policy.

PROCEDURES FOR FUNDRAISING & DONOR ACCOUNTABILITY

Approval Date: September 2019
Last Editorial Change: March 3, 2015
Parent Policy: Fundraising & Donor Accountability

PURPOSE

The purpose of these procedures is to set out the process for fundraising, gift processing and donor accountability at the YMCA of Hamilton/Burlington/Brantford.

PROCEDURES

Gift Processing Procedures

1. Receipt of Gifts

Most gifts, regardless of the branch or program to which they are mailed or hand delivered to, should be forwarded immediately to the Development Office at 79 James Street South, Hamilton, ON L8P 2Z1. Complete paperwork should accompany all donations.

Cheques & Credit Cards Gifts

- If a donation comes through the mail to a specific branch or program, it should be forwarded directly to the Development Office in a Business Reply Envelope or other sealed envelope via postal mail or inter-office mail. Any documentation that came in the original envelope should be included. No gift information will be recorded in the Membership database.
- When a donor brings a cheque to a branch or program location, or wishes to make a credit card donation at a Membership Desk, non-development staff will encourage the donor to fill out a donor form, and the completed donor form and cheque (if applicable) will be forwarded to the Development Office in a supplied Business Reply Envelope or via inter-office mail. No gift information will be recorded in the Membership Database.
- Those wishing to make credit card donations at specific branch or program locations can also be directed to make their gifts online.

Cash Gifts

- Under no circumstance should cash be put in the mail.
- If a donor wishes to make a cash gift at a branch or program location, staff will have the donor fill out a donation form. Cash donation will be entered into the Membership database as proof of receipt and deposited by the branch/program. Original donor form will be mailed to the Development Office in a Business Reply Envelope or via inter-office mail. Notification that the cash gift has been entered into the Membership Database must be sent to the Donor Information Coordinator, along with details of the gift – donor name, amount – and confirmation that donor form has been mailed.

2. Processing of Gifts

The following procedures address the various types of gifts the YMCA of Hamilton/Burlington/Brantford may receive, each of which has special processing considerations. For most gifts, gift processing will be handled by the Donor Information Coordinator. Gifts must be accompanied by appropriate backup.

Cash Gifts

- One-time gifts of cash, cheques and credit cards will be processed within the minimum time period possible, with fundraising best practices suggesting within 48 hours of the receipt of gift.
- Recurring monthly pre-authorized chequing and credit card donations will be processed once per month by the Finance Department on either the 15th of the month or the last business day of the month according to donor specification.
- Employees of the YMCA of Hamilton/Burlington/Brantford may make gifts to the Association's annual staff appeal by payroll deduction. Arrangements for the amount of the gift, the frequency of the deduction and the duration of deductions are made by the employee. The Development Office will provide staff with personalized pledge cards for this purpose, and shall advise the Payroll Department of the YMCA of Hamilton/Burlington/Brantford to process authorized requests. All deductions for gifts will be listed on pay statements. All employee payroll donations will be shown in the appropriate box of the employee's T4 slip for income tax purposes.
- All individuals and corporations donating \$20 or more will automatically receive an official tax receipt for income tax purposes. Official receipts for gifts under \$20 will be issued upon request.
- Registered foundations and charities will be issued business receipts for gifts made to the YMCA of Hamilton/Burlington/Brantford.
- In cases where a donor's specified use of any gift is unclear at the time of processing, details about the gift will be clarified with the donor.

Gifts of Qualifying Securities

- Shares are sold the day they are received by the YMCA of Hamilton/Burlington/Brantford through a pre-arranged broker agreement.
- Gifts of qualified securities will be processed upon their sale, with an official receipt for income tax purposes being issued for the value of shares at the time of sale.
- The number of shares and cost per share at the time of sale will be recorded on the official receipt.

Gifts-In-Kind

- Gifts-In-Kind will be processed within the minimum time period possible, with fundraising best practices suggesting within 48 hours of receipt of gift information.
- Gifts-In-Kind requiring a charitable tax receipt must be pre-approved by the Development Office, with gifts being valued based on fair market value according to guidelines set out by the Canada Revenue Agency.
- In accordance with Canada Revenue Agency policy on appraisal ([CSP-F07](#)) and fair market value ([CSP-F02](#)), gifts-in-kind with an estimated fair market value of \$1,000 or less will be appraised by a qualified member of the Association's staff. Gifts-in-Kind with an estimated value of more than \$1,000 will be appraised by a qualified third party who is not associated with either the YMCA of Hamilton/Burlington/Brantford or the donor.

- Fundraising best practices dictate that in most scenarios, the donor pays for this appraisal; however, in certain circumstances the Association may agree to absorb the cost. The determination of who is paying for the appraisal (donor or Association) shall be agreed upon prior to beginning the appraisal.
- If the donor opts not to donate after receiving the appraisal value for the gift, then the donor will bear the full cost of the appraisal.
- Details of the appraisal will be recorded on the official receipt.
- Fair Market Value of the item does not include taxes paid on purchasing the item. The amount entered on the tax receipt will be the Fair Market Value of the item before taxes.

Gift Cards & Certificates

- Official receipts for income tax purposes will not be issued for a gift card or certificate if the donor is the business that issued it and if the gift card or certificate is redeemed by a third party (for example, by someone who purchased it in a silent auction). In this case, the gift card or certificate is considered only to be a promise by the business to give merchandise sometime in the future (that is, when the gift card is actually redeemed). Until then, there has been no gift of property
- If the YMCA of Hamilton/Burlington/Brantford itself redeems the gift card or certificate for goods (not services), then a receipt may be issued, as the donor (the business) has then fulfilled its promise and transferred property to the charity.
- Donors who purchase gift card or certificate from the issuer and then donate them to the YMCA of Hamilton/Burlington/Brantford are eligible for an official receipt as the gift card or certificate is considered property once purchased.

Donations of Service

- According to guidelines set out by Canada Revenue Agency, service is not property and, therefore not truly a gift.
- Gifts of service to the YMCA of Hamilton/Burlington/Brantford may be acknowledged with a thank you letter if applicable but no official receipt for income tax purposes will be issued.
- In some cases, if the YMCA of Hamilton/Burlington/Brantford pays for a service, then the service provider donates that payment back to the YMCA of Hamilton/Burlington/Brantford, it is considered a cash donation and an official receipt can be issued. This is sometimes referred to as a cheque swap.

Planned Gifts

- Bequests will be processed in the name of the estate. Cash transferred will be processed on the day it is received by the YMCA of Hamilton/Burlington/Brantford, not at the time they are described in the will of a prospective donor.
- Proceeds received from an insurance policy in which the YMCA of Hamilton/Burlington/Brantford is named beneficiary qualify for an official tax receipt for income tax purposes in the name of the estate upon transfer of funds to the YMCA of Hamilton/Burlington/Brantford.
- If ownership of an insurance policy is transferred into the name of the YMCA of Hamilton/Burlington/Brantford, the cash surrender value (if any) will qualify for an official receipt for income tax purposes. Premiums paid periodically by the donor to the YMCA of Hamilton/Burlington/Brantford or directly to the insurance company to maintain a policy in force in which the YMCA of Hamilton/Burlington/Brantford has been named owner and

beneficiary will qualify for an official receipt for income tax purposes. Outright gifts of existing policies in which the YMCA of Hamilton/Burlington/Brantford has been named owner and beneficiary shall qualify for an official receipt for the accumulated cash surrender value of the policy.

3. Gift Recording

The following procedures outline how gifts will be recorded within the Raiser's Edge constituent relationship management database.

- All gifts will be recorded by YMCA of Hamilton/Burlington/Brantford processing staff at the time of receipt.
- Legal credit (for both official donation receipting for income tax purposes and for recognition purposes) will be given to the entity from whom the contribution is actually received or provided the source of funds. If the true donor is unclear, written documentation is required from the donor prior to receipting.
- Memorial and tribute donations will be credited and receipted to the entity for which the contribution was actually received. Names of those for whom the donation was made in honour or in memory of will be tracked within the gift record for tracking purposes. Notification will be sent to the honouree or family if requested by the donor; however the YMCA of Hamilton/Burlington/Brantford will not disclose the amount of the donation or additional contact details of the donor.

Receipting

Guidelines for the issuance of official donation receipts are governed by Canada Revenue Agency. The YMCA of Hamilton/Burlington/Brantford receipts gifts in accordance with the [*Income Tax Act IT-110R3 – Gifts and Official Donation Receipts*](#).

1. Official Donation Receipts

- Official donation receipts for income tax purposes will automatically be issued for eligible gifts of \$20 or more.
- Official donation receipts for income tax purposes for gifts of less than \$20 must be requested by the donor.
- Management of official receipts rests with the YMCA of Hamilton/Burlington/Brantford's Development Office.
- Donation processing staff are required to request all necessary paperwork before issuing an official tax receipt.
- Electronic receipts will be issued for gifts received online or by donor request.
- Official receipts will be issued within the minimum time possible, with best practices supporting within 48 hours for cash gifts, and within 6 weeks for gifts supporting an Association event.

2. Preparation of Receipts

- Each receipt is prepared bearing an individual serial number.

- Receipts will be issued from a receipt stack unique to the calendar year from which the gift was received. For example, gifts received in 2019 will have a receipt stack of 2019; gifts received in 2018 will have a receipt stack of 2018.
- Electronic receipts issued through Raiser’s Edge have a unique receipt stack of “E”.
- Electronic receipts issued through ArtEZ have a unique receipt stack of “AHB”.
- In instances where official receipts are to be issued for donations of property other than cash, the fair market value of the property at the time the gift was made, the date of the gift, a description of the property, and, if applicable, the name and address of the appraiser will be printed on the receipt and will be kept on file.

3. Control of Receipts

- The YMCA of Hamilton/Burlington/Brantford and its employees guard against the unauthorized use of official receipts.
- Receipts are kept in a locked cabinet. Only the Donor Information Coordinator and the Database Administrator have access to receipts.
- Electronic copies of all official receipts issued to donors are kept on a secure server.

4. Lost or Spoiled Receipts

- The YMCA of Hamilton/Burlington/Brantford may issue replacements for official receipts.
- Replacement receipts must be marked as duplicates and include a notation confirming it as a replacement, i.e. “This receipt replaces # (serial number of original receipt).”
- The YMCA of Hamilton/Burlington/Brantford must mark copies of lost or spoiled receipts as “cancelled” or “void”.

Pledge Management

The purpose of the YMCA of Hamilton Burlington Brantford Pledge Fulfillment Procedures is to ensure an automated system that maximizes pledge collection while supporting the Financial Development Office’s goal of supporting relationship building.

1. Pledge Documentation

- Pledge documentation must include the purpose of the pledge, length of pledge and a schedule of payments.
- No undocumented pledge or verbal pledges will be entered into the Raiser’s Edge in the Gifts tab.
- Undocumented and verbal pledges can only be recorded in the corresponding proposal under the Proposals tab.

2. Processing Pledge Commitments

- All pledge commitments for the YMCA of Hamilton Burlington Brantford are recorded in the Raiser’s Edge database by either the Donor Information Coordinator or the Database Administrator.
- Signed documentation (i.e., gift agreement) must be provided to the Donor Information Coordinator for the pledge to be added into Raiser’s Edge.
- Senior Development Officers or the Vice President of Financial Development must secure all documentation for entering the pledge.

3. Pledge Reminders

- Donor Information Coordinator will run pledge reminder letters on the first business day of the month for instalments due in the next 60 days.
- Pledge reminder letters will be given to the appropriate Development Office team member for authorization and signature, and then mailed.
- On the second Friday of every month, Donor Information Coordinator updates and runs the Cash Flow (Expected Instalments) reports, which lists all expected payments due within the next 9 months and emails it to Development Office staff for review.
- Development Office staff is to communicate promptly with Donor Information Coordinator if more than standard pledge reminder letter is required for upcoming pledges. (i.e., Additional reminder requirements including but not limited to personalized letters, stewardship reports, tours, etc.)
- In the absence of the Donor Information Coordinator, the Database Administrator will be responsible for the distribution of Cash Flow (Expected Instalments) reports and pledge reminders.

4. Late Payments

- On the second Friday of every month, Donor Information Coordinator runs the Past Due reports and emails them if Development Office staff for review.
- In the absence of the Donor Information Coordinator, the Database Administrator will be responsible for the distribution of Cash Flow (Expected Instalments) reports and pledge reminders.
- In the event that payment is not received by the expected due date, the following steps will occur:
 - (i) *Thirty days past pledge instalment date (1-30 Days):*
 - Donor Information Coordinator will send reminder letter indicating payment is past due.
 - Donor Information Coordinator enters action into donor's record indicating letter has been sent.
 - (ii) *Ninety days past pledge instalment date (31-90 Days):*
 - Donor Information Coordinator enters action for Development Office relationship manager to make reminder call to donor.
 - Development Office relationship manager to follow up with donor and mark action as complete.
 - (iii) *One-hundred and eighty days past pledge instalment due (91-180 Days):*
 - Donor Information Coordinator enters action for Development Office relationship manager and Vice President of Financial Development to review next steps.
 - Development Office relationship manager and VP of Financial Development to decide on appropriate next steps for pledge collection or write-off.
 - Once complete, development officer marks action as complete and includes relevant notes in the action.

Donor Record Management

1. Contents of Donor Records

The Development Office of the YMCA of Hamilton/Burlington/Brantford will maintain complete electronic donor records for all donors and prospects. Major Donors (a donor having made a one-time gift of \$10,000 or more) and Planned Giving donors will also have associated paper files. Information retained in these files may include, but are not limited to:

- Name of donor or prospective donor, including aliases, nicknames, maiden names or former names;
- Current address information for home and/or business;
- Current contact information such as home phone, business phone, cell phone and email address;
- Social media information such as Twitter handle, public Facebook profile or LinkedIn profile;
- Giving history to the YMCA of Hamilton/Burlington/Brantford;
- Spousal and/or familial relationships;
- Gender;
- Donor-specified contact and solicitation preferences;
- Known giving to other organizations;
- Records of contact between the YMCA of Hamilton/Burlington/Brantford and the donor/prospect; and
- Copies of pledge cards, cheques, letters of intent, gift agreements or other documentation related to gifts made or promised to the YMCA of Hamilton/Burlington/Brantford.

2. Donor Record Security & Confidentiality

Confidential information about all donors and prospective donors in donor records, as well as confidential information in oral form or on electronic and print media are protected in order to foster a trusting relationship between the constituent and the YMCA of Hamilton/Burlington/Brantford.

- Information stored in donor records will be held in the strictest confidence. It will only be made available to authorized staff and volunteers if required for successful cultivation, solicitation or stewardship of said donor/prospective donor, or upon permission from the donor/prospective donor.
- When paper or electronic documents pertaining to the donor/prospective donor must be disposed, they will be disposed in a fashion which lessens the danger of a privacy breach. For example, paper documents will be shredded.
- For more information on database permissions and current Raiser's Edge security groups, please contact the Database Administrator.
- All staff and volunteers of the YMCA of Hamilton/Burlington/Brantford working with the Development Office are required to sign a confidentiality agreement.
- The donor has the right to see his/her donor electronic record and paper file (if applicable), and to challenge its accuracy.
- The YMCA of Hamilton/Burlington/Brantford does not sell, rent, exchange or otherwise share donor information to any external entities.

3. Donor & Prospective Donor Research

In order to better know our donors and in order match potential fundraising priorities to specific donor/prospective donors, the YMCA of Hamilton/Burlington/Brantford may engage in research using publically available information.

- The collection of donor research will be done lawfully, respecting applicable laws and institutional policies.
- Only information relevant to the cultivation, solicitation and/or stewardship of donors/prospective donors will be recorded in donor files.
- All research profiles will clearly be marked “confidential”.
- Careful consideration will be given to the use of electronic mail and faxes for the delivery of donor/prospective donor information.

Gift Acknowledgement, Donor Recognition and Stewardship

The YMCA of Hamilton/Burlington/Brantford maintains a donor-centred approach to fundraising. Donor recognition guidelines and processes are based on donor needs, and allow for flexibility required to respect the individuality of the donor and the donation.

The key purpose of donor recognition is to sincerely show respect for, and appropriate gratitude to donors who support the YMCA of Hamilton/Burlington/Brantford.

1. Gift Acknowledgement

All gifts to the YMCA of Hamilton/Burlington/Brantford are acknowledged by the YMCA of Hamilton/Burlington/Brantford’s Development Office.

- Eligible gifts of cash and property will receive an official receipt for income tax purposes and acknowledgement letter within the minimum time possible.
- Event sponsorships and cash gifts from other registered charities or foundation will receive an acknowledgement letter and business receipt within the minimum time possible.

2. Donor Recognition

The YMCA of Hamilton/Burlington/Brantford strives to recognize each donor on an individual basis, whereby donors will be thanked and recognized in ways that are meaningful to them. The Association strives to ensure that each donor is engaged and involved with the YMCA of Hamilton/Burlington/Brantford. In all cases, specific recognition must be approved by the donor.

Anonymity

The YMCA of Hamilton/Burlington/Brantford acknowledges donors’ right to anonymity. In cases where a donor requests that his/her name not be published or publically recognized:

- The name will not be published in any recognition program or listing;
- The donor’s cumulative lifetime giving record is not altered;
- All gifts will be included on the donor’s record, but will not be publically acknowledged;
- These gifts will still be reported in financial and campaign reports, however no name will be displayed along with these gifts. Instead, the word “Anonymous” must appear;
- The recognition salutation within Raiser’s Edge will be updated to read “Anonymous”;

- An official receipt for income tax purposes bearing the donor’s name and address will be issued but information on the receipt will be kept in the strictest confidence.

Donors who request that their name, the amount and the fact that they have given a gift all remain anonymous are encouraged to contact the Vice President of Development to determine the best course of action for receipt of these gifts.

In cases where the donor is unknown to the YMCA of Hamilton/Burlington/Brantford, for example when a donor anonymously mails or drops off a gift, no acknowledgement letter or official receipt will be mailed. However, these gifts will be recorded in the database and allocated according to the donor’s wishes, if known.

3. Stewardship

The YMCA of Hamilton/Burlington/Brantford strives to steward each donor on an individual basis with the goal of maintaining ongoing and long-term relationships with donors so that they continue to derive satisfaction from gifts to the Association that they have already made and encourages them to make further gifts in the future.

4. Naming Opportunities

The YMCA of Hamilton/Burlington/Brantford offers naming opportunities during capital campaigns. Generally, capital gifts may be considered for a naming opportunity at the \$100,000 level or higher; however, naming opportunities remain specific to each campaign and require approval from the associated campaign committee.

Charitable Events

1. Event Tickets & Official Receipts for Income Tax Services

The Canada Revenue Agency sets out rules and regulations with regards to eligibility for official receipts for income tax purposes for purchase of event tickets.

Gifts given to charity are not considered donations if donors receive any advantage (benefit) in return for payment.

In certain cases, exceptions can be made for fundraising events where consumable goods are bought to be consumed on a particular day. Examples may include fundraising dinners, concerts, cocktail parties or gala balls.

In these cases, only the difference between the full ticket price and the fair market value of the food, entertainment, etc. (the advantage) is considered a gift and therefore eligible for an official receipt. However, if the advantage is equal to or greater than 80% of the fair market value, then no official receipt can be given.

Example:

An individual donates \$100 and receives a ticket to an event where the fair market value of the advantage to the donor has been established to be \$50.

Fair Market Value of Gift	\$100.00
Fair Market Value of Advantage	\$50.00
Intention to Make Gift Threshold (80% of Fair Market Value of Gift)	\$80.00

Since the advantage received by the donor (\$50) falls within the intention to make a gift threshold (\$80), the charity can issue an official receipt for income tax purposes to the donor for \$50. (Fair Market Value of Gift minus Fair Market Value of Advantage equals Receipt Amount for split receipt)

Even where the cost of an event is covered by sponsorship dollars the same rule applies as the donor is still receiving an advantage. Only the price paid beyond the Fair Market Value of the Benefit received is eligible for an official receipt.

In cases where the advantage to the donor is nominal, the donor is entitled to an official receipt for the full amount of the gift. Canada Revenue Agency defines the nominal benefit as not more than \$75 or 10% of the Fair Market Value of the gift, whichever is lesser. In these cases, the advantage is considered too low to affect the amount of the gift.

Determining Fair Market Value of Advantage

In order to establish Fair Market Value of the Advantage for a specific event, everything that is a benefit to the donor must be itemized at fair market value. This includes items and services donated for the event, not just items the charity has paid for.

Once the items have been itemized, the charity must divide the total by the number of attendees to establish the total benefit per attendee.

Events That Do Not Qualify for Official Receipts

Event tickets are not eligible for split receipting where the price of admission includes automatic participation in a lottery or draw where prizes have more than a nominal value. This includes door prizes. For example, if a donor's event ticket also entitles them to automatically be entered in a draw for a new car, the donor is not eligible for an official receipt.

In cases where chances to win prizes are determined by an additional cost, official receipts can be issued for event tickets. Note however that the cost of tickets is not eligible for an official receipt by purchasers.

In cases where Fair Market Value of the advantage cannot be established, the ticket cost is not eligible for an official receipt. For example, there is no way to establish the Fair Market Value of meeting a celebrity, so no official receipt could be issued.

2. Donations to Events

Cash Donations

Straight cash donations to events (involving no recognition or additional advantage of any kind) are eligible for official receipts in the full amount of the gift.

Gifts-In-Kind

Donors who give Gifts-In-Kind to events may be eligible for an official receipt providing the gifts meet the other required criteria for receipting In-Kind gifts. *(See Processing of Gifts for more information on these requirements.)*

3. Auction Purchases

Generally, purchase of an item at an auction does not qualify for an official receipt because the purchaser has received something of value.

An exception may apply when the purchaser has paid more than Fair Market Value for an item. In these cases, the additional amount is considered a donation and an official receipt for the amount paid above the fair market value could be issued.

4. Sponsorship

The YMCA of Hamilton/Burlington/Brantford requires event sponsors to sign contracts outlining the terms and conditions of the sponsorship.

Event sponsors will not receive official charitable tax receipts, but will receive business receipts stating the amount of the sponsorship. According to Canada Revenue Agency, sponsorships are not gifts and official receipts cannot be issued for sponsorship fees because the sponsor receives something in exchange for their support, usually advertising or other type of consideration.

It is important to note that corporations may deduct 100% of a sponsorship fee as a business expense under section 18 of the Income Tax Act within the immediate fiscal year, provided that such payments meet six tests:

- The expense is of an income nature and not a capital expenditure;
- The expense is reasonable in amount;
- The expense is incurred for the purpose of earning income;
- The expense is not a personal expenditure;
- The expense is not expressly prohibited by the Income Tax Act; or
- The expense does not constitute “abusive tax avoidance”.

5. Third Party Events

The YMCA of Hamilton/Burlington/Brantford acknowledges that the Association may be approached by third-parties wishing to hold events where proceeds will benefit the YMCA of Hamilton/Burlington/Brantford.

The YMCA of Hamilton/Burlington/Brantford requires third-parties to sign written agreements that set out the modalities of the fundraising arrangement.

Official receipts will only be issued when:

- A signed third-party agreement has been received by the YMCA of Hamilton/Burlington/Brantford;
- Full name and address of donors are provided to the YMCA of Hamilton/Burlington/Brantford;
- Specific amounts donated by each donor are clearly stated;
- The YMCA of Hamilton/Burlington/Brantford is sure gifts have been attributed to the true donor; and
- A breakdown of Fair Market Value of Advantage has been provided to and validated by Development Office staff.

In cases where donors receive an advantage in exchange for their gift, split receipting rules will apply. *(See Event Tickets & Official Receipts for Income Tax Services for more information on split receipting.)*

GIFT ACCEPTANCE POLICY

Classification: Philanthropy
Approving Authority: Board of Directors
Approval Date: **September 2019**
Last Editorial Change: February 27, 2015

Associated Procedures: Procedures for Gift Acceptance

INTRODUCTION

The YMCA of Hamilton/Burlington/Brantford recognizes that some gifts may compromise the Association's reputation or image, may conflict with the Association's core values, or may be difficult or costly to administer. Accordingly, the YMCA of Hamilton/Burlington/Brantford reserves the right to review all gifts prior to official acceptance by the Association.

PURPOSE

The purpose of the YMCA of Hamilton/Burlington/Brantford's Gift Acceptance policy is to:

- 1) Ensure that informed decisions are made when accepting gifts; and
- 2) Ensure that due diligence and appropriate reviews are conducted on all aspects of a gift before acceptance.

JURISDICTION/SCOPE

This policy applies to the Association and to all gift acceptance activities at the YMCA of Hamilton/Burlington/Brantford.

This policy does not apply to sponsorships or to non-philanthropic grants and contributions.

POLICY

The Association is grateful for all gifts offered, but reserves the right to decline a gift for any reason in its sole discretion, including but not limited to:

- The gift constitutes as a non-gift as per Canada Revenue Agency IT-110R3;
- The gift or its terms are illegal;
- The gift could reasonably compromise the Association's and/or the donor's public image or reputation;
- The gift conflicts with the Association's core values of Caring, Honesty, Respect, and Responsibility;
- The gift falls outside the role and scope of the YMCA of Hamilton/Burlington/Brantford;
- The gift is costly or difficult to administer;
- The gift exposes the Association to unacceptable risk or financial liability;
- The donor applies unacceptable restrictions, conditions or recognition requirements on the gift;
- Fair market value cannot be determined, or will result in unwarranted or unmanageable expense to the Association;
- The gift could improperly benefit an individual;
- The origin of the gift or identification of the donor is unclear;
- The gift jeopardizes the Association's charitable status or relationship with the donor community;

- The conditions of the gift are open to interpretation resulting in noncompliance with Canada Revenue Agency rules and regulations; or
- The gift conflicts with other YMCA of Hamilton/Burlington/Brantford policy.

Acceptance of a gift does not imply endorsement by the YMCA of Hamilton/Burlington/Brantford of any product, service or philosophy of the donor.

Vice President of Development, Director of Finance, and Development staff shall review all proposed gifts, with final authority to accept or decline a gift resting with the Board of Directors and CEO.

Gifts of \$1 million to \$2,999,999 require approval from the CEO.

Gifts of \$3 million or more require approval from the YMCA of Hamilton/Burlington/Brantford Board of Directors.

Development staff may suggest revisions to conditions, restrictions, or terms attached to any gift.

It is a fundamental policy that donor instructions attached to a charitable gift, once accepted by the Association, shall be honoured.

PROCEDURES FOR GIFT ACCEPTANCE

Effective Date: March 24, 2015

Last Editorial Change: March 1, 2015

Parent Policy: Gift Acceptance

PURPOSE

The purpose of these procedures is to set out the process for gift acceptance at the YMCA of Hamilton/Burlington/Brantford.

PROCEDURES

Gift Approval

Gifts of \$1 million to \$2,999,999 require approval from the CEO.

Gifts of \$3 million or more require approval from the YMCA of Hamilton/Burlington/Brantford Board of Directors.

The gift acceptance approval authorities must be:

- a) Assured the Association can meet its obligations within the terms of the gift;
- b) Confident that the donor can meet his/her obligation;
- c) Assured that the terms of the gift comply with regulatory and legislative requirements, including but not limited to CRA tax legislation and YMCA of Hamilton/Burlington/Brantford internal policies;
- d) Assured that reputation of the Association, its employees and and/or its members will not be harmed with the acceptance of the gift; and
- e) Assured that all necessary groups have reviewed and agreed to the terms of the gift.

Refusal of a Gift

If the gift acceptance authorities consider that the gift may meet any criteria for non-acceptance according the YMCA of Hamilton/Burlington/Brantford's Gift Acceptance Policy, then the gift must be referred to the Vice President of Development who will then bring the issue to the CEO and Board of Directors for final determination.

Gift Agreements

Gift agreements must be created for all gifts of \$25,000 or more, or for specific gifts listed in Appendix A.

All gift agreements must follow the templates created by the Development office.

Gift agreements must include:

- a) A statement that the gift must have Association approval in accordance with the Gift Acceptance Policy before it is considered accepted;
- b) A section outlining the terms/purpose of the gift;
- c) A section allowing the YMCA of Hamilton/Burlington/Brantford to amend the terms/purpose of the gift;

- d) A section outlining the payment plan;
- e) A section outlining specific recognition for the gift; and
- f) A section containing two Association signatures and at least one donor signature.

All gift agreements must be submitted to the Vice President of Development for initial review prior to any signatures.

The Development office is responsible for ensuring that all gift acceptance approvals are received and that all gift agreements are signed by the appropriate individuals.

The Development office is responsible for ensuring that original signed copies of gift agreements are filed in the donor's paper file, and that electronic copies of signed gift agreements are uploaded to the donor's Raiser's Edge constituent record and linked to the appropriate proposal.

Professional Advice

Donors should be encouraged to seek independent professional legal, accounting, tax or financial advice. The Association cannot suggest or endorse third party sources for gift advice.

Expenses & Appraisals

Expenses associated with a gift, including but not limited to appraisals, shipping, legal fees, and real estate commission fees, shall in most cases be paid by the donor. In limited circumstances the Association may agree to pay some or all of the donor's expenses.

In accordance with Canada Revenue Agency policy on appraisal ([CSP-F07](#)) and fair market value ([CSP-F02](#)), gifts-in-kind with an estimated fair market value of \$1,000 or less will be appraised by a qualified member of the Association's staff. Gifts-in-Kind with an estimated value of more than \$1,000 will be appraised by a qualified third party who is not associated with either the YMCA of Hamilton/Burlington/Brantford or the donor.

The determination of who is paying for the appraisal (donor or Association) shall be agreed upon prior to beginning the appraisal. If the donor opts not to donate after receiving the appraisal value for the gift, then the donor will bear the full cost of the appraisal.