

## **Mediation Services Gift Acceptance Policy**

### **1. Background**

Mediation Services is a registered charity under the Canada Customs and

Revenue Agency (CCRA). The charitable registration number is 12859 5295 RR0001.

The guidelines presented in this document have been established to ensure:

- informed decisions are made on the acceptance of gifts
- all requirements pursuant to the Income Tax Act and other legislated requirements are met
- efficient administrative, legal and accounting practices are followed
- accurate reporting of all gifts and sponsorships to MS.
- consistent application of policies and procedures when dealing with donors and sponsors

### **2 Scope**

These policies and procedures are established to govern the acceptance and administration of all types of gifts made to MS including inter vivos (during the donor's lifetime) or testamentary (bequest) gifts.

### **3 Policy for Gift Acceptance**

Mediation Services may elect to accept or decline any gift. The negotiation and development of terms and conditions relating to gifts is to be co-ordinated through the Executive Director who will seek counsel from the board in any situation where it is not clear that a gift fits the criteria set out in this policy.

### **4 Eligible Gifts**

The following kinds of gifts are deemed eligible for acceptance by Mediation Services:

#### **4.1 Cash Donations**

Cash donations may be in the form of cash, cheques, electronic funds transfers, credit card transactions, payroll deductions or other cash transfer mediums accepted at Mediation Services.

#### **4.2 Gifts in Kind**

Gifts-in-kind are donations of property other than cash-based gifts. Examples of donations are land, buildings and marketable securities. Gifts-in-kind may be received and held by Mediation Services and used for purposes consistent with its objectives, or may be disposed of at any time after the donation, provided no such agreement to the contrary is made between the donor and Mediation Services. The gift must be of use to Mediation Services, or it should be available to be disposed of and the proceeds directed in support of Mediation Services and its programs or as agreed to between Mediation Services and the donor. The organization does not make any representation that by accepting a gift it will retain the property or employ the donated property for the same purposes as the donor used it.

Canada Customs Revenue Agency (CCRA) requires that the charitable receipt be issued for an amount equal to the fair market value of the gift. This value must be supported. The person who determines the fair market value must be competent and qualified to evaluate the property being transferred by way of a gift. Fair market value is considered to be the value established between a willing buyer and a willing seller who are dealing at arm's length. Independent appraisals are required for all gifts-in-kind over \$1,000.00 by a qualified independent third-party appraiser. Appraisals are the responsibility of the donor unless otherwise approved by Mediation Services.

#### **4.3 Life Insurance Policies**

Donors may donate to Mediation Services new or existing life insurance policies. Where Mediation Services is the owner and beneficiary of the policy a receipt for tax purposes may be issued to the donor for the annual premium payments and for the cash surrender value of the policy at the date of the gift based on guidelines established by CCRA Section 118.1 (see also IT Bulletin #IT-22R3).

#### **4.4 Bequests**

Bequest paid to Mediation Services qualify as charitable gifts. Official receipts for tax purposes will be issued to the estate of the deceased.

#### **4.5 Gifts of Securities, Annuities and Charitable Remainder Trusts**

The above-listed gifts are acceptable to Mediation Services through a financial institution such as Winnipeg Foundation.

### **5. Gift Limitations and Refusal**

When an offer of a charitable gift is judged to be contrary to Mediation Services' best interest, the Executive Director may request that the terms be revised or may decline the offer.

For all gifts, the Executive Director has the right to seek appropriate counsel to ensure:

- the donor's intent and direction is consistent with Mediation Services objectives and priorities.
- the donor's intent and direction is clearly understood and documented.
- the gift does not expose Mediation Services to potentially significant liability.
- that if precedent-setting or sensitive issues are present, they are adequately assessed by the appropriate authorities.
- the proposed gift has received appropriate Mediation Services review and approval.

Gifts may be refused if:

- the donor receives any direct personal benefit under the arrangement (Canada Customs and Revenue Agency (CCRA) Interpretation Bulletin IT-110r3- "Gifts and Official Donation Receipts" does not allow registered charities to issue a tax receipt where the donation is used to confer a benefit of any kind to the donor)
- the cost of ownership implications related to administration time, management and marketability of the gift is deemed too high.
- is too narrowly restricted to be used within a reasonable time.
- has an attached liability that could create an undesired financial burden.

- is from an individual or organization whose philosophy and values are inconsistent with the overall philosophy and values of Mediation Services.
- is determined to be something other than a charitable gift.
- in any way violates federal and provincial laws or regulations.

## **6. Charitable Tax Receipt**

Mediation Services will issue a charitable tax receipt for all gifts valued at \$10 or more. Services donated to Mediation Services are not eligible for a tax receipt.

## **7. Reporting**

Mediation Services will prepare an annual report to donors presented at the annual general meeting. As may be directed in donor agreements, annual reports may be provided to donors advising them as to the financial activity and financial status.

Approved by the Board of Directors of Mediation Services  
May 10, 2011