

# Gift Acceptance & Designation Policy

## 1 – Policy Overview

The Gift Acceptance and Designation Policy outlines and/or gives regards to the types of donor gifts that will be accepted by UWGT – and the restrictions a donor may place upon the gift.

## 2 – Definitions

- 2.1 **Unrestricted Gift** – an unrestricted gift is a donation to UWGT without restriction by the donor. Unrestricted gifts will be directed to UWGT's area of greatest need as determined by the UWGT Board of Trustees, with recommendation from the UWGT Senior Executive Team.
- 2.2 **Restricted Gift** – a restricted gift is a donation to UWGT, where the donor has specified that the gift is subject to restrictions, limitations, conditions, terms of reference, directions or other restricting factors that would constrain or limit UWGT in how the gift can be used.
- 2.3 **Designation Gift** – a designation gift is a donation to a registered Canadian charity through UWGT.
- 2.4 **Cash** – cash itself, cheque, credit card donations and payment of pledges by similar means.
- 2.5 **Gift of Securities** – gift of assets like stock, bonds and/or mutual funds. Includes stock options which is the right, but not the obligation to purchase a specified number of shares in an enterprise at a pre-determined price over a specific period of time.
- 2.6 **Gift of Crypto-Currency** – any form of currency that exists digitally or virtually, and uses cryptography to secure transactions, e.g. Bitcoin (BTC), Ethereum (ETH), Tether (USDT).
- 2.7 **Gift of Non-Fungible Token (NFT)** – a digital asset that represents real-world objects like art, music, in-game items and videos. They are bought and sold on-line – frequently with crypto-currency.
- 2.8 **Gift of Bequest** – a gift received from the estate of a deceased individual or as memorials to an individual who has passed away.
- 2.9 **Term Life Insurance** – life insurance policy that provides coverage at a fixed rate of payments for a limited period of time. After that period expires, coverage at the previous rate of premiums expires, and the life insurance policy holder must either forego coverage or potentially obtain further coverage with potentially different payments or conditions.

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2.10 **Whole Life Insurance** – life insurance policy which is guaranteed to remain in force for the insured's entire lifetime, provided required premiums are paid, or to the maturity date. Premiums are fixed, based on the age of the insured when established, and usually do not increase with age.

2.11 **Endowment Gift** – a fund maintained within The Tomorrow Fund™, which holds all endowment gifts. An endowment gift requires that the principal (capital corpus) be held intact in perpetuity.

The fundamental objective of the Tomorrow Fund™ is to gather and maintain the principal, the earnings and growth from which will sustain key initiatives of UWGT.

### 3 – Guiding Principles and Directives

3.1 UWGT's decisions to accept a gift will be guided by the following fundamental principles:

- Legality – ensuring that all decisions conform to legal requirements of charities, including CRA criteria and guidelines.
- Consistency – ensuring that all decisions advance the vision, mission and core values of UWGT.
- Reputation – ensuring that no decision will, or will have the potential to, bring harm to the reputation of UWGT.

UWGT will protect its integrity, autonomy and values when accepting gifts. Gifts will not be accepted by UWGT when a condition of such acceptance would compromise these fundamental principles.

Any gift that presents potential risks to UWGT shall be discussed with the Chief Financial & Operating Officer and the Vice President, Philanthropy & Marketing who shall, if considered necessary, obtain appropriate direction from the President & Chief Executive Officer and members of the Board of Trustees or suitably qualified professionals.

3.2 The acceptance of gifts is informed by, and consistent with UWGT's strategic and operational plans and in alignment with the organization's priorities.

UWGT encourages the solicitation and acceptance of gifts and sponsorships that will help further and fulfill its mission and vision. UWGT will accept both Unrestricted Gifts, support for specific programs and purposes (Restricted Gifts) and gifts to registered Canadian charities (Designation Gifts).

UWGT has the unique ability to ensure gifts will have sustained benefit to the community. While embracing the need to accommodate donor wishes, UWGT encourages donors to keep the level of Restricted Gifts and Designation Gifts to a minimum.

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- 3.3 The acceptance of gifts must be made at arm's length. This means that the donor shall have no ability to influence the decisions of UWGT in accepting the gift aside from normal course donor restrictions and/or conditions as outlined under Restricted Gift, Designation Gift and Endowment Gift.
- 3.4 Acceptance of all gifts shall be subject to appropriate levels of review by UWGT staff and volunteers – and who may engage the services of legal counsel and other professionals as considered necessary. Notwithstanding this, UWGT does not – in any capacity, stand as an advisor on any legal, tax, estate or other financial planning matters.
- 3.5 UWGT staff and volunteers shall – in all cases, encourage the donor to discuss the proposed charitable gift with their families and independent legal and/or tax advisors of the donor's choice so as to ensure that the donor has a full and accurate understanding of all aspects of the proposed charitable gift.
- 3.6 Agreements relating to a Gift of Securities, a Gift of Crypto-Currency, a Gift of Non-Fungible Token (NFT), a Gift of Bequest, a Gift of Life Insurance Policy, a Restricted Gift, or an Endowment Gift shall conform to the standards as defined by UWGT. Any deviations from the standards shall be discussed with the Director-Strategic Finance and Controllershship and/or Chief Financial & Operating Officer – who shall, if deemed necessary, seek further tax, legal and/or financial advice on the differences from the defined standards.

The defined standards shall be reviewed annually with UWGT's legal counsel to ensure they accommodate any changes in the law or other matters affecting UWGT's ability to manage such agreements.

- 3.7 UWGT is responsible for receiving, recording, receipting (if and when applicable), and recognizing all gifts.

UWGT ensures that efficient administrative, legal and accounting practices are followed in the acceptance of all gifts – and that those gifts are receipted in accordance with Canada Revenue Agency (CRA) criteria and guidelines, and that all gifts are handled and recognized in a consistent manner.

- 3.8 All gifts – including those that are being negotiated, are treated in accordance with UWGT's Information Security Policy Framework and Privacy Policy.

UWGT shall honour requests from donors for anonymity around their gift.

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- 3.9 UWGT commits to the highest ethical standards in its engagement with donors – per the Code of Conduct & Ethics Policy, the Fundraising Policy and the Association of Fundraising Professionals' Donor Bill of Rights.

Donors shall – at any time, have the right to raise concerns regarding the treatment they have received in the handling of their gift by directing their concerns as follows to ensure they are resolved:

- First, to their Philanthropy Officer's supervisor.
- If not satisfied, direct their concern to the Vice President, Philanthropy & Marketing.
- Then if still not satisfied – to the President & CEO.

In addition, the public may avail itself of the Complaints Policy for Members of the Public.

## 4 – Accepted Gift Types

UWGT is authorized to encourage donors to make both outright and deferred gifts. These include cash, publicly traded securities, bequests, gift annuities, charitable remainder trusts, life insurance policies, private company shares and such other gift arrangements as the Board of Directors may approve from time to time.

### 4.1 Cash

An outright gift refers to a contribution of cash or property in which the donor retains no interest and which can be used currently by UWGT. UWGT includes cheques, electronic fund transfers and credit card donations in its definition of cash.

A donor may complete a gift in a single transaction or make a pledge to be paid over a period of time that is mutually acceptable to the donor and UWGT.

### 4.2 Gift of Securities

Donors may make a donation in the form of a transfer of ownership of publicly-traded securities or gifts of private-owned shares and partnership interests. A direct Gift of Securities often avoids capital gains inclusion under Income Tax law, and as such, presents significant financial advantages to many donors of these gifts.

UWGT will conduct appropriate due diligence on these assets prior to acceptance, including a comprehensive valuation. UWGT may ask the donor to obtain an independent valuation, at the donor's expense. Alternatively, UWGT may obtain its own valuation at the donor's expense. UWGT reserves the right to accept or reject the independent valuation

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UWGT will only accept shares if they do not subject the organization to penalties or other adviser tax consequences. The acceptance of private company shares should be based on their ability to be sold to arm's length purchasers.

UWGT accepts gifts of securities where a minimum \$1,200 per share sold remains with UWGT (or the home United Way for donors in Centrally Coordinated Campaigns). This helps to offset the costs of processing gifts of securities. In cases where a gain or loss results for a donor in a Centrally Coordinated Campaign, UWGT will absorb the gain or loss as historical data shows a neutral position over time. Gifts to UWGT's Endowment Fund or, a named fund, or a Restricted Fund will have the \$1,200 minimum per share sold allocated to the endowment fund or named fund.

It is UWGT's practice to liquidate or sell publicly-traded securities or private company shares within 24 hours. However, UWGT may retain ownership of publicly-traded securities or private company shares under exceptional circumstances – with the approval of the Director-Strategic Finance and Controllershship and/or Chief Financial & Operating. In such cases, UWGT will be leveraging its Investment Manager(s) to manage and look after on its behalf.

UWGT applies the closing price on the day of the donation in determining the Fair Market Value (FMV) of the Gift of Securities – this practice provides certainty to both the donor and UWGT. As such, it does transfer the risk of market fluctuations until disposal of the Gift of Securities is complete to UWGT – to be clear, UWGT carries the potential gain and bears the potential loss when disposing of the Gift of Securities. Additionally, UWGT needs to recognize donors for their gifts, and the clarity of establishing the value of the Gift of Securities, supports this need.

### 4.2.1 Publicly Traded Securities

- UWGT shall engage a professional brokerage firm to assist in the efficient disposal of shares listed on prescribed stock exchanges, e.g. TSX Group of Exchanges, the American Stock Exchange, the New York Stock Exchange, and the NASDAQ Stock Exchange. The cost – if any, of commissions and other charges for such service shall be borne by UWGT.
- In order to expedite the disposal of shares, UWGT may – at its sole discretion, make use of a broker specified by the donor, and engage in a process to dispose of such shares with the donor or the donor's broker. Such concession will be made provided that it complies with the Gift Acceptance & Designation Policy and the Gift Valuation & Tax Receipting Policy. The cost of any brokerage services in such case shall be at the sole cost of the donor.

### 4.2.2 Non-Publicly Traded Securities (Private Company Shares)

- UWGT shall only accept shares in non-publicly traded companies registered in Canada – to be clear, shares in non-publicly traded companies registered outside of Canada are not accepted.
- Donation of shares in a non-publicly traded company require careful valuation and may require the engagement of a professional valuator. It is also quite likely that shares of this nature are

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illiquid and will take time to sell. The valuation will allow for such risks. Additional security attaching to the donation of the shares may be required by UWGT in the event that the expected date of liquidating the shares is protracted.

While UWGT welcomes donors to make donations in the form of shares in this category, the following shall apply with an abundance of caution:

- The Director-Strategic Finance and Controllershship shall be responsible for ensuring:
  - The requirements for acceptance are discussed with the donor.
  - The valuation is conducted appropriately.
  - Share certificates are properly received and all rights are transferred.
  - The shares are sold in a timely manner.
- The Chief Financial & Operating Officer shall decide whether to accept or decline the donation of such shares.
  - Shares can only be accepted if research reveals a ready indirect market for underlying assets or direct market for shares with likely potential buyers.
- The donor shall warrant that:
  - He/she/they has the rights to dispose of the shares.
  - He/she/they holds UWGT harmless from any and all claims or damages that may arise as a result of a false statement being made as part of his/her/their warrant to UWGT.
  - No restriction on the sale of such shares by UWGT exists.
- UWGT shall engage the services of an appropriate brokerage house to assist in the valuation and disposal of such shares.
- The valuation exercise is to be free of any influence by the donor or related persons.
- The costs of the valuation exercise shall be borne by the donor.
- The market value of the shares shall if considered necessary, be discounted for the expected time taken to sell the shares – or in the event the underlying assets are to be sold, the market value of the shares shall be discounted for any unrealized tax liability associated with such a sale.
- In the event that the shares may only be sold more than 3 months after acceptance, UWGT shall require additional security to support the market value.
- The basis of establishing the fair market value, including any discounts – as used for tax receipt purposes, shall be made clear to the donor.
- UWGT may decline a gift of non-publicly traded securities if it violates in any way the Gift Acceptance & Designation Policy and the Gift Valuation & Tax Receipting Policy. UWGT shall advise the donor as soon as is practically possible of its decision to decline a gift of such shares.

### 4.2.3 Stock Options

- Stock options can be offered to UWGT by either individuals or by corporations and could be for either publicly traded or non-publicly traded companies. Due to the volatility in the market prices of options of publicly traded companies – or in the case of non-publicly traded

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companies, restrictions on the liquidation of stock options, these present difficulties in valuation. Accordingly, each offer of such a gift must be carefully considered.

- UWGT shall only accept stock options of all companies registered in Canada. Stock options in companies registered outside of Canada are not accepted.

While UWGT welcomes donors to make donations in the form of stock options in publicly traded or non-publicly traded companies, the following shall apply with an abundance of caution:

### **Gift of Stock Options in publicly traded companies by an Individual**

- While a market exists in Canada for the trading of options in publicly traded shares, the volatility of prices in these instruments is significant, making valuation difficult.
- In many cases, stock options are provided to employees of a company as a part of their compensation. Such options often carry restrictions on their sale. In cases of employee stock options, the Director-Strategic Finance shall ensure that:
  - The stock option plan allows the employee to exercise the options and have the underlying shares donated to UWGT through the plan.
  - In the absence of this, UWGT will request that the employee first exercise the options and then donate the underlying shares. The valuation and disposal of the underlying shares are then conducted in accordance with the acceptance process governing the Gift of Publicly Traded Securities.
- In cases where the stock options are not part of an employee compensation plan, UWGT will request that the donor first exercise the options and then donate the underlying shares. Note that this applies even if the stock options themselves are traded on a prescribed stock exchange.

### **Gift of Stock Options in publicly traded companies by a Company**

- The Income Tax Act allows companies to make gifts of stock options to charities at the time of making a public offering (IPO). Restrictions may apply to the exercise of these options, and an expiry date is usually defined. While UWGT may accept the award of these options, they have no value to UWGT until the time they are exercised and associated shares subsequently sold. No tax receipt is to be given at the time of accepting the options.

### **Gift of stock options in non-publicly traded companies**

- All offers of stock options in a non-publicly traded company shall be considered for acceptance by the Chief Financial & Operating Officer who shall consider the need for engagement of tax, legal and/or financial advisors as required.

#### **4.3 Gift-in-Kind**

Excluding the Gift of Securities which is described in the previous Section, a gift-in-kind is defined by the Canada Revenue Agency (CRA) as a gift of tangible property such as real estate, crypto-

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currency, books and collections including art, products or equipment. A gift that is transferred to UWGT without expectation of benefit is considered charitable in nature and may qualify for a tax receipt.

Before accepting a gift-in-kind, the gift will be reviewed to see if it meets UWGT's charitable mandate. UWGT may decline a gift that does not further the organization's charitable mandate or that involves special maintenance or conditions that UWGT is unable to satisfy.

The following gifts-in-kind do not qualify as charitable donations under the Income Tax Act:

- Gifts of professional or personal services of an individual.
- Gifts by a company of its principal product or service. Such gifts are considered promotional expenses rather than charitable donations under the Income Tax Act.
- A payment for a lottery ticket or other chance to win a prize is not a gift.

### 4.3.1 Gift of Crypto-Currency

When it is being donated to a charity, crypto is considered by the CRA to be a gift-in-kind and therefore, all the rules that apply to Gifts-In-Kind – including the deemed fair market value rules, apply to crypto-currency. UWGT will need to be aware of the cost of acquisition if the crypto-currency was acquired in the last 3 years before the donation because of the deemed fair market value rules.

While under review, UWGT does not currently accept Gifts of Crypto-Currency.

### 4.3.2 Gift of Non-Fungible Token (NFT)

While under review, UWGT does not currently accept Gifts of Non-Fungible Token (NFT).

### 4.3.3 Gift of Real Estate

UWGT may accept Gifts of Real Estate

The donor shall secure at least one qualified appraisal of the property. UWGT will also obtain an independent appraisal and reserve the right to obtain multiple appraisals.

UWGT shall review other relevant factors including zoning restrictions, marketability, current use and cash flow in order to evaluate whether the acceptance of the gift would be in the best interests of the organization.

### 4.4 Gift of Bequest

UWGT encourages Gifts of Bequest through a donor's estate – manifested as a transfer of Cash, Securities, or Real Estate or Personal Property, or a designation of UWGT as a beneficiary of their Retirement account or Life Insurance Policy.

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UWGT intends to ensure that gifts received through a deceased's will, living trust, or other such document, will be managed in accordance with the donor's wishes – and as trustee of that gift, UWGT will ensure transparency and oversight as to the intended use of the gift.

UWGT will make available sample bequest language for Unrestricted and Restricted Gifts – including Endowments, to donors and their legal advisors to ensure that the bequest is properly designated. Donors will also be invited to provide information about their bequest provision. UWGT will generally accept both Unrestricted and Restricted Gifts of Bequest, and shall manage those gifts in accordance with the donor's wishes, provided they are in line with UWGT's charitable mandate.

In order for a Gift of Bequest to be restricted, the testamentary document must clearly indicate the restriction. In the case of ambiguous language, or in the case where the restriction cannot be fulfilled by UWGT, UWGT will consult with its tax, legal and/or finance advisors to determine the appropriate course of action, including the potential rejection of the gift.

If the Gift of Bequest is without restrictions, UWGT will designate its use and purpose – having full discretion over the treatment of the gift, including how and when it is used.

Gifts of Bequest are valued as Cash, Securities or Real Estate and Personal Property. Gifts of Securities arising from a Gift of Bequest shall be valued in accordance with CRA criteria and guidelines.

For Gifts of Life Insurance, if UWGT is named both the beneficiary and irrevocable owner of the Life Insurance Policy, a gift is recorded at the Cash Surrender Value or Fair Market Value (FMV) of the policy on the date that it is given. If the donor pays premiums on such a policy, these payments will be recorded as a gift at the cash value of the payment. If the donor wishes the policy to be valued at its FMV, the donor shall obtain an independent actuarial valuation.

During the estate's probate period and the subsequent administration of the estate, UWGT – in consultation with its legal counsel, shall ensure that it is appropriately represented in all dealings with the legal advisor and/or executors/trustees of the estate.

### 4.5 Life Insurance Policy

There are various methods by which a Life Insurance Policy may be contributed to UWGT. A donor may:

1. Assign irrevocably a paid-up Life Insurance Policy to UWGT.
2. Assign irrevocably a Life Insurance Policy on which outstanding premiums remain to be paid.
3. Name UWGT as a primary or successor beneficiary of the proceeds of an existing or new Life Insurance Policy.

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When ownership is irrevocably assigned to UWGT, the donor is entitled to a donation receipt for the Cash Surrender Value (if any) and for any premiums subsequently paid on the Life Insurance Policy.

UWGT may also issue a donation receipt for the fair market value (FMV) of the Life Insurance Policy. If the donor wishes to obtain a receipt for the FMV, they must – at their own cost, obtain an independent actuarial valuation of the policy. It is at the UWGT's discretion to accept this valuation. UWGT also reserves the right to retain its own valuation.

In the event a Life Insurance Policy is assigned on which premiums remain to be paid, UWGT will pay the premiums if and only if the donor makes equivalent contributions for that purpose. This can be achieved by either paying the premiums directly to the Life Insurance company, or by making a donation directly to UWGT for the equivalent of the premium payment. In the latter case, UWGT will then make the premium payment directly to the Life Insurance company.

For a Life Insurance Policy where ownership has been assigned, UWGT reserves the right to continue with premium payments if the donor is unwilling or unable to do so. With respect to Term Life Insurance Policy, UWGT will only accept ownership of gifts of permanent (Term to 100) term insurance.

### 4.6 Endowment Gift

Please refer to the Endowment Policy.

The Tomorrow Fund™ is the vehicle in which UWGT invests Endowment Gifts. The fundamental objective of The Tomorrow Fund™ is to gather and maintain capital and earn investment income – which will then contribute to the sustainability of UWGT's programs and projects.

The principal of the Endowment Gift is referred to as the Capital Corpus – and the investment income earned on the Endowment Gift, may be expended towards UWGT's programs and projects whose purpose is to fight local poverty.

UWGT will accept a minimum Endowment Gift of \$50,000 or more – and requires that the principal be held intact in perpetuity. Once the minimum amount for an Endowment Fund has been established, the donor may make additional contributions of any amount.

The requirement of a minimum donation of \$50,000 may be waived at the discretion of the Vice President, Philanthropy & Marketing and the Chief Financial & Operating Officer.

All Endowment Gifts must have a Donor Fund Agreement executed prior to the donation being received by UWGT – this includes the purpose and terms and conditions of the Endowment Gift. The Donor Fund Agreement will indicate if the Endowment Gift is to contribute to the General Endowment Fund or to be established as a Named Endowment Fund.

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The investment income earned from The Tomorrow Fund™ will contribute to deliver on the organization's mission to fight local poverty – in general, donors cannot designate the investment income earned by their Endowment Gift to a specific organization, but they will be allowed to designate the income to a UWGT service area or funding priority if they so desire.

### 4.7 Alternative Gifts

#### 4.7.1 Gift Annuity

A Gift Annuity is a contractual arrangement whereby a donor transfers assets to UWGT pursuant to an agreement authorizing UWGT to purchase a commercial prescribed annuity that will pay a stipulated amount for the life of the annuitant(s) or for a term of years. Assets in excess of the amount required for purchase of the commercial annuity are retained by UWGT and used for purposes specified by the donor and acceptable to UWGT. Alternatively, the donor may work directly with an Insurance Company to purchase the annuity.

Determination of the gift valuation and tax receipting plus taxation of annuity payments, will be in accordance with CRA criteria and guidelines.

The minimum gift that UWGT will accept for a Gift Annuity is \$50,000. The cost of the commercial annuity should not exceed 75% of the assets transferred to UWGT.

#### 4.7.2 Charitable Remainder Trust

A Charitable Remainder Trust is a residual interest gift where the donor transfers property to a trustee. The donor receives the net income from the Trust, and the Trust remainder is distributed to UWGT. If the Trust meets all requirements, the donor is entitled to a gift receipt for the present value of the residual interest. UWGT will consult with its tax, legal and/or finance advisors prior to issuing a tax receipt for the present value of the residual interest.

A Charitable Remainder Trust may be funded with Cash or Gifts of Securities. The size of the Trust must exceed \$100,000.

The Trust Agreement shall be drafted and reviewed by the donor's legal advisor. UWGT may provide prototype language to the donor's legal advisor – but shall execute no agreement until the donor's legal advisor has determined that the Trust Agreement is in proper form and that the gift is appropriate for the donor's situation.

UWGT shall conduct an extensive environmental assessment of the property which may include an environmental audit. UWGT will agree to accept the property if and only if it contains no toxic or otherwise harmful substances, or if these substances are removed or other remedies taken to ensure that UWGT assumes no liability.

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UWGT may consult with its tax, legal, finance and/or other advisors prior to the acceptance of any gift of real estate.

### 4.7.3 Other Gifts

Other types of gifts not addressed above will be reviewed by UWGT on a case-by-case basis before the gift is accepted. In approving these gifts, consideration will be given to the size of the gift, its impact, the financial liability (if any) and possible risks (financial, reputational, brand) to UWGT. These gifts will be reviewed and approved by the Director-Strategic Finance and Controllershship and/or Chief Financial & Operating Officer.

## 5 – Unrestricted Gifts

An unrestricted gift is a donation to UWGT without restriction by the donor. Unrestricted gifts will be directed to UWGT's Community Fund to deliver on the area of greatest need as determined by the UWGT Board of Trustees, with recommendation from the UWGT Senior Executive Team.

Unrestricted gifts can include a contribution to an Impact Fund or Service Area – a vehicle where donors can support an initiative or portfolio of investments that deliver against impact areas outlined in UWGT's strategic plan (e.g. homelessness, youth, food insecurity, etc.). Gifts of this nature are aligned to UWGT's existing commitment to community.

## 6 – Restricted Gifts

A restricted gift is a donation to UWGT, where the donor has specified that the gift is subject to restrictions, limitations, conditions, terms of reference, directions or other restricting factors that would constrain or limit UWGT in how the gift can be used. UWGT may only use a restricted gift to accomplish the specific purpose established by the donor and for no other purpose.

A donor can ask that their gift be used in a particular program operated by the charity provided that the following conditions are met:

- 1) No benefit accrues to the donor.
- 2) The directed gift does not benefit any person not dealing at arm's length with the donor.
- 3) The decision regarding utilization of the donation within a program rest with the donor.

Restricted gifts must be tracked and reported separately from unrestricted gifts. The donor can make the restriction explicitly – meaning they have specifically stated the intended purpose, or implicitly by responding to a particular fundraising campaign. UWGT requires a Gift Agreement for any and all restricted gifts.

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The Vice President, Community Investments & Mobilization shall have discretion on accepting a restricted gift. When so, UWGT will be the fund administrator and program service delivery agent – with governance and compliance per the Restricted Gift Agreement.

UWGT will charge administration and program-service delivery fees on gifts that are restricted. This is to ensure that appropriate fundraising and administration costs are borne by all donors fairly and to not inappropriately overburden the donors who have chosen to provide unrestricted gifts to United Way.

### 7 – Designation Gifts

- 7.1 Donors can direct their gift to a specific Canadian registered charity in good standing with the Canada Revenue Agency (CRA). UWGT does not permit designations to non-qualified donees – following CRA criteria and guidelines. UWGT recovers costs of processing and administering designations through a Designation Service Fee, which is set annually based on the budget approved by the Board.
- 7.2 Designations for which a donor receives a benefit from the recipient charity (i.e. special event registration fees, membership fees, tickets, sponsorship) cannot be permitted under CRA criteria and guidelines.
- 7.3 Designations of funds raised through Corporate or Workplace Special Events will not be permitted as they are held to generate increased interest in the UWGT campaign, and raise funds to support UWGT's work in the community. Exceptions may apply, but only with approval of the Chief Financial & Operating Officer and the Vice President, Philanthropy and Marketing.
- 7.4 As per the Endowment Policy, donors will not be permitted to designate the investment income earned by their Endowment Gift to a specific organization, but they will be allowed to allocate the income to a UWGT service area or funding priority if they so desire.
- 7.5 Funds received by UWGT as a result of a court order or settlement are not eligible to be designated. Exceptions may apply at the discretion of Chief Financial & Operating Officer or the President & CEO.
- 7.6 For designations to a registered Canadian charity, UWGT will – with donor permission, provide the donor's name and gift amount to the recipient charity.

UWGT is unable to capture pledges to individual event participants or specific charity sub-programs. The donor must communicate directly with the recipient charity to relay further instructions regarding their designation or stewardship needs.

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- 7.7 Donors must provide direction on designation of their gifts no later than March 31st of the year after their gift was made. If no instructions have been provided by March 31st, UWGT will assume the gift has no restrictions attached to it.

Exceptions may apply – but only with the approval of the Chief Financial & Operating Officer and the Vice President, Philanthropy & Marketing.

- 7.8 Once a designation has already been distributed to another charity, changes cannot be made, regardless of the date requested.
- 7.9 UWGT does not reduce grants to funded agencies if designations for that agency are received directly from donors.
- 7.10 Donors may optionally add a top-up amount to their donation to offset processing and banking fees. The top-up may not be directed to offset designation service fees.
- 7.11 If a donation is directed to an organization that is found to not have a valid CRA registration number, UWGT will make reasonable efforts to inform the donor and determine alternate designation instructions. If UWGT is unable to secure further direction from a donor, the funds will become available to UWGT for general charitable purposes.

## 8 – Rejection and Return of Gifts

- 8.1 Gifts may be accepted from any source that UWGT deems appropriate.
- 8.2 UWGT, in consultation with the Senior Executive Team, reserves the right to decline any donation if it fails to meet:
- The Canada Revenue Agency (CRA) criteria and guidelines on gifts.
  - The objectives, the mission and the values of UWGT.
  - The values expressed in the Charter of Rights and Freedoms and in applicable human rights legislation.
  - Any of the UWGT Policies.

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### 8.3 UWGT may also reject gifts that have:

- Donor specified conditions such as an expectation of reciprocal benefit, e.g. an offer of employment or a contract with UWGT.
- Gifts which require UWGT to assume additional responsibility or specific liability.
- Gifts where a conflict of interest or conflict of conscience may exist.
- Gifts that contain considerations that are inappropriate or which UWGT is unable to fulfill.
- Gifts that would limit the UWGT's freedom.
- Gifts that support programs or activities that are peripheral to the mission of UWGT.

### 8.4 UWGT will not engage in any of the following practices:

- Accepting gifts that violate federal, provincial or municipal laws.
- Accept gifts that require UWGT to provide special or unlawful consideration for the donor or designate.
- Accepting gifts that require UWGT to deviate from its normal hiring, promotion and contracting procedures.

### 8.5 Return of Gift

- In most cases, as per CRA criteria and guidelines, a registered charity cannot return a donor's gift. If the UWGT determines that it cannot use a gift to fulfill a donor's wishes, every effort will be made to best meet the donor's objectives while upholding UWGT's objectives, mission and values.
- Where UWGT has received a gift from a donor with whom it no longer wishes to be associated because of illegal acts or behavior deemed to be unfavorable to the reputation of the organization, UWGT – in consultation with the Board of Trustees, will determine how to best dispose of the gift in keeping with CRA criteria and guidelines, plus legal advice.

## 9 – Related Policies

- Code of Conduct & Ethics Policy.
- Conflict of Interest Policy.
- Signing Authority Policy.
- Gift Valuation & Tax Receipting Policy.
- Fundraising Policy.
- Donor Recognition Policy.
- Endowment Policy.
- Risk Management Policy.
- Complaints Policy for Members of the Public.
- Privacy Policy.
- Anti-Spam Policy.
- Information Security Policy Framework.

## Gift Acceptance & Designation Policy

### 10 – Related Procedures

- Campaign Guide(s).
- Gift of Securities Processing.
- Gift of Crypto-Currency Processing.
- Gift of Non-Fungible Token (NFT) Processing.
- Gift of Bequest Processing.
- Life Insurance Processing.
- Endowment Gift Processing.
  - Endowments Handbook.
  - The Tomorrow Fund™ & Promises of Tomorrow Report.
- Alternative Gifts Processing.
- Restricted Gift Processing.
- Designation Gift Processing.
- Return of Gift Processing.