

GIFT ACCEPTANCE POLICY
ATLANTIC SCHOOL OF THEOLOGY

APRIL 14, 2009

Amended April 12, 2010

1.0 Purpose

This is the “Gift Acceptance Policy” for the Atlantic School of Theology (AST) in the fulfillment of its mission:

Atlantic School of Theology, an ecumenical university serving Christ’s mission, cultivates excellence in graduate-level theological education and research, creative and faithful formation for lay and ordained ministries, and understanding among communities of faith.

2.0 Guiding Principles and Values

The purpose of establishing these policies is to maintain the integrity of AST when accepting gifts and to acknowledge the fiduciary responsibilities of the Board of Governors to protect its assets and provide proper guidance to its management. In addition, the policies are intended to protect donors to AST. Accordingly, all gifts to AST shall be governed by these policies and procedures.

3.0 Gift Acceptance Policies

The Director of Advancement is authorized to receive all gifts to AST with the exceptions as noted in 3.0, 3.1 and 3.2. The exceptions will be reviewed and a decision rendered by the Executive Committee of the AST Board of Governors.

This acceptance policy is designed to ensure that all gifts to AST are structured to provide maximum benefits to the donor and AST.

AST will accept unrestricted gifts and restricted gifts to support specific programs and purposes, provided that such gifts are consistent with the mission and policies of AST, or are not too difficult to administer, or have questionable financial implications as described in 3.1 and 3.2. If the Director of Advancement has any question about whether to accept a gift the Director shall refer the gift in question to the Executive Committee of the Board of Governors

If either the donor or AST wishes to change the conditions of the original gift, such changes must be made in writing and approved by both the donor and AST. If there are any concerns about changing the conditions of a gift or the donor is deceased and a change in condition is requested by AST, legal counsel will be consulted regarding those changes. Whenever a potential donor consults AST about the conditions of a gift, especially restricted gifts, they will be encouraged to include a Vary to Purpose Clause in their gift agreement. An example of wording of such a clause is as follows: “If circumstances should, at some time, make it impossible, inadvisable, or impractical to

continue using the annual investment return from this fund for the designated purpose, then I authorize the Board of Governors of AST, in its discretion, to use the investment return from this fund in such a manner as the Board may deem to be in the best advantage of AST while adhering as closely as possible to my original intent. (In any such alternative application, the support provided by this gift shall be clearly identified with the name of the donor.)”

3.1 Role of the Executive Committee of the Board of Governors

Upon the decision of the Director of Advancement, the Executive Committee of the Board of Governors shall meet whenever there is a question about the ethical acceptability of a gift or an unusual or problematic gift offer needs to be reviewed and approved by the Executive Committee before being accepted or declined (it is understood that the overwhelming majority of gifts received will not need to be reviewed, and the Committee would meet rarely). The responsibility of the Executive Committee is to review the proposed gift arrangement, properly screen, and accept or decline the gift. In certain situations the Committee may refer the gift proposal to the Board of Governors for a final decision. The Executive Committee also may make from time to time recommendations on gift acceptance policy issues to the board.

When the Executive Committee is asked to review and approve a gift the decision is by majority vote.

Recognizing AST’s fiduciary responsibilities, the Executive Committee is authorized to seek the advice of external legal counsel in matters relating to acceptance of gifts whenever circumstances so dictate. Some of the issues requiring such advice could be; review of agreements containing unusual restrictions or designations or the review of transactions with potential conflicts of interest or concerns about the acceptability of the gift. The advice of other professionals may be required under various circumstances: e.g. the assessment of possible environmental liability in the case of gifts of real estate holdings, or the valuation of unusual property.

3.2 Gifts Requiring Approval by the Executive Committee

The following gifts require the review and approval of the Executive Committee as defined in 3.1 above before being accepted by AST

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- A. Outright gifts of real estate, shares in privately-owned companies, tangible personal property valued at over \$5,000, partnership interests, and other property interests not readily negotiable.
- B. Gifts in kind over \$5,000 not covered in A. above
- C. Residual interest gifts
- D. Charitable Remainder Trusts

E. Gifts of deferred and current life insurance policies

4.0 Professional and Ethical Standards of Practices

All those representing AST during the negotiation and acceptance of a gift shall be guided by the Ethical Code of the Canadian Association of Gift Planners as defined in Appendix A.

Any concern about the ethical acceptability of a gift shall be referred to the Executive Committee who in turn shall be guided by the ethical standards of the Anglican Church of Canada, the United Church of Canada and the Canadian Conference of Catholic Bishops.

5.0 Solicitation of Gifts

Only the President or Director of Advancement or designate will solicit gifts. All employees, committee members or friends of AST are encouraged to refer any prospective donor to the Director of Advancement for follow-up.

6.0 Conflict of Interest

The interests of the prospective donor shall be a primary consideration with respect to any gift to AST. Representatives of AST will provide information to the donor concerning planning techniques available to achieve a donor's charitable goals. The policy of AST is to inform, serve, guide or otherwise assist prospective donors who wish to support AST and its mission. Pressure techniques will be avoided and no program, agreement, trust or contract will be presented which would benefit AST at the expense of the donor's best interests and charitable motivations.

7.0 Donor and Prospect Relations

Relationships with donors and prospects for all gifts shall be the responsibility of the Advancement Department. Before making a gift, donors will be urged to review information on the benefits, limitations and tax implications of their proposed gift with the donor's legal and tax advisor(s). No representative of AST shall advise donors as to tax implications of their gift, but rather advise donors and prospects to consult their own tax and legal advisors. AST will not accept a gift if such acceptance would not be in the best interest of the donor and the school.

It is the responsibility of the Advancement Department to assure prompt and accurate acknowledgement of all gifts along with the appropriate receipt for income tax purposes.

8.0 Confidentiality

All information obtained from or about donors or prospects shall be held in strictest confidence by AST in accordance with the Canadian Association of Gift Planners Code of Ethics as found in appendix A paragraph 6.

9.0 Pledges

All donors must complete a pledge form or confirm a pledge in writing.

Pledges will be paid on a schedule established by the donor, preferably within a five-year period or within the time frame of the campaign.

Donors who make long-term pledge commitments are encouraged to include AST into their estate or contingency plans to cover any unfulfilled commitment in the event of unexpected death or disability. It is AST's policy that it will not pursue any unfilled pledge commitment through legal means unless the Board of Governors votes that special situations or circumstances involving any particular pledge would warrant such action.

10.0 Gift Credit

All gifts and pledges of cash and convertible property made to AST during a specific capital campaign period will be counted toward the campaign goal, provided they are not designated for some other funding purpose such as the Annual Fund Appeal.

Individuals whose gifts are matched by their employers will receive campaign recognition but will not receive individual tax credit for the amount matched.

Bequests realized during a capital campaign will be given campaign credit provided they are not restricted in such a way that is clearly outside the capital campaign purpose and have not been counted in previous fund raising efforts.

Capital campaign gifts received after the campaign has been officially concluded by the Board of Governors will be, with the permission of the donor, counted towards the goal of the next capital campaign.

11.0 Types of Gifts

The following gifts to AST are acceptable within the governing criteria stated below:

A. Cash – Regardless of the amount, AST shall accept any unrestricted or restricted designation of gifts (unless the gift needs to be reviewed by the Gift Acceptance Committee as described in 3.1 and 3.2) by cash, cheque or credit card. Cheques shall be made payable to Atlantic School of Theology with a notation about any particular program or project of AST that the donor wishes to

designate. In no event shall a cheque be made out to an individual who represents AST.

B. Securities – AST can accept readily marketable publicly traded securities, such as, for example, those securities traded on the TSX and Dow Jones markets. The receipt of securities, the issuance of tax receipts and the sale of securities will be in strict accordance with AST's Investment and Investing Policy, Administrative Policy # XIX. Securities in privately held companies are referred to the Gift Acceptance Committee as described in 3.1 for review before acceptance. A qualified appraiser must determine the fair market value of the securities. Any concerns about the ethical acceptability of a gift of securities shall be referred to the Executive Committee.

C. Bequests – Donors and supporters of AST will be encouraged to make bequests to AST in their estate planning. Such bequests will not be recorded as gifts to AST until such time as the gift is received. Bequest designations that appear to require more cost than benefit, or are too difficult to comply with, are to be referred to the Executive Committee for action.

Donors who designate restricted bequests in their estate planning will be encouraged to discuss their plans with Advancement staff to ensure that the future bequest will be in the best interests of both the donor and AST; in addition, the donor of a restricted gift is encouraged to include wording in their will that permits the Board of Governors to redirect the funds to another related project in the event that the original project for which the bequest was given is no longer functioning.

D. Retirement Plan Beneficiary Designations – Donors and supporters of AST will be encouraged to name AST as a beneficiary of their RRSP, RRIF and other retirement plans. Such designations will not be recorded as gifts to AST until such time as they are received.

E. Deferred Gifts of Life Insurance --There are many types of insurance products available. Some will emphasize future growth potential while others emphasize lowest insurance cost. Philanthropic policies should minimize risk and maximize certainty that the policy will sustain and deliver a known death benefit.

The ultimate goal of charitable life insurance is to create a manageable, secure, enforceable gift for future needs.

There are various methods by which a life insurance policy may be contributed to AST subject to review by the Executive Committee. A donor may:

- Assign irrevocably a paid-up policy to AST.
- Assign irrevocably a life insurance policy on which premiums remain to be paid.

- Assign AST as beneficiary of the death benefit but retain ownership of the policy. In this case no tax receipt is issued for premiums paid, but a receipt will be issued for the value of the death benefit when received by AST.

When ownership is irrevocably assigned to AST, the donor is entitled to an income tax receipt for the fair market value (if any) and for any premiums subsequently paid. The fair market value must be determined by an actuarial valuation.

Any of the above methods are acceptable to AST. In the event a policy is contributed on which premiums remain to be paid, AST will pay the premiums provided the donor makes equivalent contributions for that purpose. The donor will be encouraged to arrange the policy so premiums are due annually. If not, the donor will be asked to arrange for the premiums to be automatically deducted from their bank or credit card account.

In the event that the donor ceases to contribute the premiums, the Executive Committee will determine whether AST should continue the premium payments or surrender the policy to receive the cash value, if any.

Whole Life policies that are either single-pay or limited-pay contracts should be encouraged. These policies become fully paid-up once the donor makes an initial payment (single-pay) or a fixed number of annual payments (limited-pay). Policies requiring the donor to contribute an annual premium for life should be carefully considered before acceptance due to the likelihood of the donor defaulting for a variety of reasons. Accepting a policy with a reduced death benefit to allow for limited pay is usually preferable.

Policies providing for flexible premium payments and fluctuating interest rates such as universal life normally should not be accepted, unless the policy has a limited pay feature guaranteeing the contract will be fully paid after a period of years (e.g. 10 years) and sufficient cash value in the policy will be available to support the death benefit.

Term insurance policies do not build up any cash value. If a term policy is irrevocably assigned to AST and the donor defaults on a premium payment the policy will lapse and no death benefit will be received, unless AST assumes the payments. For this reason they generally are not appropriate for charitable giving. An exception is the irrevocable assignment of a term to 100 policy *or other policy* that may have a substantial fair market value *as determined by an actuary* and for which the donor is entitled to a donation receipt. However, such a valuation assumes that the charity guarantees the premiums will continue to be paid. If the donor defaults, AST must continue the payments or risk having CRA declare the receipt improperly prepared and faces punitive action. If a policy is offered under these circumstances the Executive Committee must carefully review the situation, *the charitable intent of the donor* and any financial implications of accepting the

policy. Should the Committee decide to accept the gift and issue a tax receipt based on the fair market value of the policy, *the cost of the actuarial valuation must be borne by, and addressed to, AST.*

In the case of an irrevocable assignment of a policy on which received premium payments remain, careful records shall be kept so that when the donor dies a tax receipt is not issued for the death benefit.

F. Current Gifts of Life Insurance -- Usually a life insurance gift provides a deferred gift. However a donor may assign irrevocably a paid-up policy to AST subject to review by the Executive Committee. As of October, 2007 CRA will allow a tax receipt to be issued for the determined fair market value of the policy. The donor should be advised that there may be a taxable gain in the policy that is treated for tax purposes as regular income. However, the tax credit from the tax receipt should offset or exceed this gain.

Normally a paid up policy will be converted to cash unless the Executive Committee as guided by the Investment and Investing Policy of AST (Administrative Policy # XIX) determines that it is advantageous for AST to retain the policy to receive the death benefit

The donor shall be advised of the correct legal name of AST for purposes of the transfer of ownership of the policy.

G. Charitable Gift Annuities – Charitable gift annuities may be arranged through AST who will in turn purchase a gift annuity in the name of the donor and issue a tax receipt for funds not required to purchase the annuity.

There shall be no more than two beneficiaries on a charitable gift annuity.

The usual minimum contribution accepted for the purchase of a gift annuity is \$15,000 CDN, but a smaller amount may be considered if there is a financial institution willing to participate.

H. Charitable Remainder Trusts – AST will accept designation as remainder beneficiary of a charitable remainder trust subject to the approval of the Executive Committee. AST will not accept appointment as a trustee for a charitable remainder trust.

I. Tangible Personal Property -- All gifts of tangible personal property, whether eligible for tax receipts or not should have a use related to AST's mission. Gifts in excess of \$5,000 must be reviewed by the Executive Committee. If the anticipated value of the gift exceeds \$1,000, a qualified outside appraiser (acceptable to AST) must value the gift in writing (at the expense of the donor) before AST accepts it. Gifts between \$1,000 and \$100 shall be assessed by the

Director of Advancement or Library Director, as appropriate to the gift. Tax receipts will not be issued for donations assessed at less than \$100.

Requests for a tax receipt for a gift of tangible personal property must be made at the time of donation. The decision to issue a tax receipts rests with the Director of Advancement or Library Director, as appropriate to the gift.

There is no obligation implied or otherwise to use or display any gift that is accepted. All accepted gifts become the exclusive property of Atlantic School of Theology, to be retained, displayed, stored, reproduced or sold as determined by AST. Items that are sold will be for the sole benefit of AST. In the event that any items (except books) are to be discarded, an attempt will be made to contact the original donor to determine if they want the item returned to them at their expense. Donated books may be discarded upon the sole decision of the Library Director without attempting to contact the original donor.

Any donation of tangible personal property will require the signed agreement of the donor with the terms of this policy.

J. Real Estate – AST will accept gifts of real estate subject to the approval of the Executive Committee as defined in 3.1 and 3.2. The donor may be responsible for obtaining and paying for an appraisal of the fair market value and an environmental audit of the property. For AST tax receipting and accounting purposes, the value of the gift is the appraised value of the real estate.

AST will accept a remainder interest in real property subject to the above provisions. The donor or other occupants may continue to occupy the property for the duration of the stated life of the donation. At the death of the donor, AST may use the property or sell it for the benefit of AST. Where AST receives a gift of a remainder interest, the cost of expenses for maintenance, real estate taxes, insurance and any property indebtedness are to be negotiated with the donor and recorded in a written agreement.

12. Amendments to Policy

The Advancement Committee of the Board of Governors shall conduct an annual review of this Gift Acceptance Policy and related procedures and make recommendations for revision to the AST Board of Governors for approval.

This Gift Acceptance Policy has been prepared by the Director of Advancement in consultation with the Advancement Committee and approved by the committee on March 27, 2009.

Approved by the Atlantic School of Theology Board of Governors on April 14, 2009

Amended Gift Acceptance Policy approved by the Atlantic School of Theology Board of Governors on April 12, 2010.

APPENDIX A

Code of Ethics for AST Gift Acceptance Policy as defined by the Canadian Association of Gift Planners.

This Code of Ethics has been established to encourage members of the Canadian Association of Gift Planners to adhere to certain principles, guidelines and practices in their relations with donors or prospective donors.

1. The Integrity of Members

Members shall act with competence, honesty, integrity and fairness in their relations with donors or prospective donors.

2. The Role of Members

The primary role of members is to help donors realize their philanthropic goals and to ensure that their contributions respect the objectives of the charitable organization in question.

3. Disclosure of Information

Members have a responsibility to provide donors with accurate and comprehensive information on all aspects of the gift, including the roles of all interested parties.
Members who work on behalf of a charitable organization have a responsibility to inform donors of the mission, the activities of the organization as well as its gift acceptance practices, its processing procedures and fund and endowment management policies.

4. Protection of Interested Parties

Members working for or on behalf of a charitable organization shall encourage donors to consult with their personal and professional advisors in the case of significant and complicated gift transactions. Members have a responsibility to cooperate with other professionals who promote their donor's interests as well as those of the organization they represent.
Members shall not act for nor claim to represent a charitable organization without its knowledge or express consent. Members shall not act as donors' representatives without the donors' consent.

5. Terms and conditions of Gift

Members shall respect the payment schedule and contribution method chosen by donors, insofar as the methods comply with the charitable organization gift acceptance policies or guidelines. The members shall allow donors time for reflection and shall respect their decision-making processes.
Members shall obtain prior consent by the donor before altering the conditions of a gift.

6. Confidentiality

Members shall respect the donor's request for anonymity. Donors' files and the personal and financial information therein contained are the charitable organization's property and shall be kept strictly confidential and in accordance with the privacy legislation in force for the particular jurisdiction.

7. Conflict of Interest

At all times, members shall avoid conflict of interest situations, potential conflict of interest situations or the appearance of conflict of interest. Members shall notify all interested parties of any situation that may present a potential conflict of interest.

Unless circumstances are such that this becomes a requirement, members who work on behalf of a charitable organization shall not agree to act for donors on a personal basis (e.g. as liquidators or executors of wills) so as to avoid any conflict of interest.

8. Remuneration

Members who work on behalf of a charitable organization shall not accept commission based remuneration, nor finder's fees nor shall they derive any monetary benefit from transactions concerning donations or from relationships established with donors as part of their duties.

9. Competence

Members shall be responsible for maintaining their professional skills and for upgrading their knowledge on an ongoing basis.

Members shall be obliged to be aware of and adhere to all guidelines and standards of conduct issued by the Association.

10. Complaints

The CAGP[®]ACPD[™] Ombudsman will be responsible for investigating complaints lodged against members.

It is recommended that members notify the CAGP[®]ACPD[™] Ombudsman, in writing and in confidence, of any breach of the Code of Ethics.

Should a member of the Association be involved in or the subject of a complaint, he/she shall cooperate fully with the CAGP[®]ACPD[™] Ombudsman in his /her investigation. Members shall respect and agree to adhere to the CAGP[®]ACPD[™] Ombudsman's recommendations. The recommendations issued by the CAGP[®]ACPD[™] Ombudsman are strictly confidential and under no circumstances are they to be published or made public.

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