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<b>WFH Gift Acceptance Policy</b>		

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## **I. INTRODUCTION & BACKGROUND**

The World Federation of Hemophilia (WFH) seeks gifts and future gift commitments that are consistent with our mission.

Our vision of Treatment for All is for a world where all people with inherited bleeding disorders have reliable access to safe treatment and care, regardless of their type of bleeding disorder, their gender, or where they live.

The World Federation of Hemophilia (WFH) is a registered charity under the Canada Revenue Agency (CRA). Its official Canadian charitable registration number is 10822 2050 RR0001.

The purpose of the guidelines presented in this document is to:

- ensure that informed decisions are made with respect to the acceptance of gifts and that all requirements pursuant to the Income Tax Act, the Charities Directorate of the Canada Revenue Agency (CRA) and other legislated requirements are met
- ensure that effective policies are in place to guide efficient administrative and accounting practices and procedures
- enable accurate reporting of gifts
- ensure consistent application of policies when dealing with donors

## **II. SCOPE**

These policies govern the acceptance of most types of philanthropic gifts made in support of the WFH, from sources such as individuals, corporations, organizations, associations, foundations, government agencies or other entities without limitations – unless acceptance of gifts from a specific source is inconsistent with the organization’s mission and vision.

Organizations or entities authorized or contracted to undertake fundraising activities on behalf of the WFH, will be required to comply with the terms of this policy.

This policy does not address sponsorship or similar agreements with industry or other partners.

Note on WFH Corporate Partners: WFH’s Corporate Partners are those companies which manufacture and/or distribute treatment products/therapies, medical devices, or diagnostics for the bleeding disorders community. The negotiation and acceptance of sponsorships, sponsorship agreements or contracts with the WFH’s corporate partners does not fall within the scope of this policy. Please refer to the WFH Policy on Relationships with Companies in the Pharmaceutical Industry for more information.

## **III. POLICY FOR GIFT ACCEPTANCE**

### **A. Gift Eligibility**

The following gifts are deemed eligible for acceptance by WFH:

- Cash donations (outright gifts of cash, cheques, money orders, credit cards, electronic funds transfers, payroll deductions and unreimbursed expenses)
- Gifts-in-kind (equipment, marketable securities, or other assets including relevant publications and research reports)
- Life insurance policies
- Bequests

Note: Eligibility and other requirements for Humanitarian Aid donations to WFH and/or WFH USA are covered under the WFH's Humanitarian Aid policy.

## B. Gift Acceptance

All gifts received and accepted by the WFH, must, in accordance with the Canada Income Tax Act and the Charities Directorate of the Canada Revenue Agency (CRA) be used for purposes in accordance with the WFH mission.

The WFH may elect to accept or decline any gift. Ownership of all gifts directed to WFH is vested in the organization, whether said gifts are for the benefit of WFH generally or for some specific purpose.

The WFH reserves the right to refuse gifts of any kind that are believed to be incompatible with its mission, vision and core values; that are inconsistent with current strategic or operational objectives approved by the Board of Directors; or that would create a financial, administrative or programmatic burden. In the event that conditions placed on a gift offer are judged to be administratively difficult or not in the WFH's best interest, the CEO, in consultation with the WFH management team, including the Finance & Administration (F&A) Director and the Strategic and Community Partnerships (SCP) Director, may request that the terms of the gift be revised or decide that the gift be declined.

The negotiation and development of terms and conditions relating to gifts is to be coordinated jointly through the SCP and F&A Departments together with the CEO. A written record of the agreement is required.

Authority to accept or decline gifts is vested in the CEO, with the exception of:

- proposed new endowments
- gifts that would cause the creation of a new restricted fund
- gift that are linked to a naming opportunity

In these cases, the CEO will refer the proposed gift to the F&A Committee for discussion and seek a recommendation for approval by the WFH Board of Directors.

In such cases, a formal gift proposal is required to ensure that:

- the proposed gift is consistent with organizational and legislated regulations and guidelines
- that the donor's intent and direction is consistent with strategic and operational objectives and priorities
- that the donor's intent and direction is clearly understood and documented
- that the gift does not expose the organization to a potential liability
- that if precedent-setting or sensitive issues are present, they are adequately assessed by the appropriate organizational authorities
- that the proposed gift has received the appropriate operational review and approval, through consultation with the WFH management team

### C. Gift Limitations

For a donation to be considered a gift and therefore eligible for a donation receipt, it must involve a voluntary and complete transfer of property from an individual or an entity to the WFH with the intention of making a gift and without valuable consideration to the donor. A gift has the following elements:

- It is **voluntary**, i.e. not a result of a contractual or other obligation;
- A **complete transfer**, i.e. not a pledge or future commitment;
- **Property**, including cash, cheques, credit card, etc or tangible items such as equipment, publications, etc., **but not services**;

The donation of time and effort by WFH volunteers is invaluable and highly valued; however this does not qualify as "property" transferred, but rather as service and is not receiptable. See Unreimbursed Expenses below.

Donors may not direct a donation to a particular program or department at WFH, except where designated programs, funds or initiatives already exist or have been approved as described above. The WFH may set a minimum amount required for designation of a donation to a specific program or initiative to be considered. This threshold is currently set at \$10,000.

Charitable receipts cannot be provided where the donor receives any direct personal benefit under the arrangement. Hence, charitable receipts cannot be provided for admission or registration fees, membership fees, contributions of services, for any material advantage such as advertising or promotion received in return.

Should the CRA deem the donor to have received a direct benefit; an individual's charity tax credit will be denied.

## IV. ELIGIBLE GIFTS

### A. Cash Donations

#### 1. Cash

Cash donations may be in the form of cash, cheques, money orders, electronic funds transfers, credit card transactions or other cash transfer mediums accepted at the WFH.

#### 2. Payroll deduction

Charitable donations deducted from employment income otherwise payable are included in the calculation of taxable income.

- The donor must complete and sign a Payroll Deduction/Pledge Form, or provide similar written confirmation of their donation and/or pledge
- Payroll deductions may be made only to eligible funds
- For purposes of claiming the charity tax credit, the process is coordinated through the Finance and Administration Department of WFH. The donated amount will be reflected on the employee's year-end T4 issued each year.

#### 3. Unreimbursed expenses

Charitable donations may be made in the form of unreimbursed out-of-pocket expenses incurred by WFH Board of Directors and other volunteers undertaking service authorized by the WFH. Donors are required to provide:

- A completed and signed expense report, indicating that the expenses are not to be reimbursed, but rather directed to the WFH as a donation.
- Original receipts must accompany the expense report. On an exceptional basis, expenses that are not supported by receipts will be accepted as long as such expenses are presented on an expense report with a note to explain the absence of receipts.
- The completed expense report and related receipts should be sent to the designated WFH staff person or to the Director of Finance and Administration who will complete the Expense Report by filling out the budget account code of each expense item those that are reimbursed as well as those that are listed as in-kind contributions.
- A charitable tax receipt is issued for the amount of unreimbursed expenses over CAD \$20.

### B. Gifts-in-Kind

Gifts-in-kind are donations of property other than cash-based gifts. Examples include real property (donations of equipment, publications, operating supplies, etc.) as well as

marketable securities (stocks, bonds, shares, etc.) CRA requires that the charitable receipt be issued for an amount equal to the fair market value of the gift.

### *Fair Market Value*

Fair Market Value is defined by the CRA as the highest price expressed in dollars that property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of one another.

Where Fair Market Value cannot be determined based upon publicly available market information, such as listings of retail value, for example, valuation of Fair Market Value must be supported by a qualified independent appraisal. In such cases, the CRA recommends independent appraisal for items over CAD \$1,000. 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.

Donations may have unique tax consequences therefore donors should be advised to consult with their personal tax advisors.

Detailed information is available in: CRA Publication IT-297, Gifts in Kind to Charity and Others <http://www.cra-arc.gc.ca/E/pub/tp/it297r2/it297r2-e.html>

## 1. Real Property

Gifts-in-kind may be received and held by WFH and used for mission consistent purposes or should be available to be disposed of at any time after the donation and the proceeds directed in support of identified strategic priorities.

Gifts-in-kind submitted for processing must include the following supporting documents:

- Letter or written statement of intent (donor)
- Appraisal (Independent appraiser / Directors, F&A/SCP)
- Deed of Gift, if required (SCP Director & Donor)
- Confirmation of delivery (SCP Director)
- Gift entry form (SCP Director/Fundraising Officer)

Final acceptance of the appraised value of the gift is subject to authorization in writing by the Director, F&A. Official receipts for taxation purposes and acknowledgements are issued by the SCP department

## 2. Gifts of marketable securities:

WFH accepts only publicly traded gifts of stocks, shares or securities. It is the policy of the WFH that such donations will be sold within 24 hours of receipt. Any gain or loss

realized upon liquidation will be allocated to the particular gift designation/fund. The valuation date is:

- The date the certificate is personally handed to an appropriate staff member (CEO or Director (staff) of the WFH)
- The date on the certificate if changed to the WFH's name
- The postmark date if mailed
- The date and time of transfer if electronically transferred to the WFH's brokerage account

The gift will be receipted based on the closing price on the date the physical share certificate is issued or the date the shares are received electronically by WFH's broker.

#### C. Life Insurance Policies

Donors may donate to the WFH new or existing life insurance policies. Where WFH is named as 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 gift based on guidelines established by CRA Section 118.1

#### D. Bequests

Bequests received by WFH qualify as charitable gifts. Official receipts for tax purposes would be issued to the estate of the deceased.

### V. DONATION RECEIPTS AND TAX IMPLICATIONS

#### A. Donation Receipts

All charitable donations receipts must be issued in compliance with CRA regulations and in accordance with WFH's procedures on tax receipting. A charitable donation must be a voluntary transfer of property; usually cash that is made without expectation of benefit to the donor or to anyone designated by the donor. Donations that are not deemed to qualify as 'gifts' according to the CRA will be acknowledged through the appropriate acknowledgement letter.

While the CRA does not require the issuance of charitable tax receipts, the WFH issues tax receipts for a minimum donation of CAD \$20 or more from Canadian donors. Tax receipts for smaller amounts will be issued upon request. Charitable receipts are in accordance with CRA mandatory information requirements.

Receipts will be issued in the name of the individual or entity making the donation. Names used for recognition purposes may be different, in accordance with donors' wishes.

Regarding the date of donation, in accordance with CRA guidelines, donation receipts are dated in the calendar year in which the donation is received. Gifts received after the end of the year may not be added to the previous year's donations unless the gift was postmarked in the previous year. For administrative purposes, donations received after January 10 may be processed in the current year, regardless of the date on the cheque.

See CRA – Interpretation Bulletin: IT-110R3 “Gifts and Official Donation Receipts”  
<http://www.cra-arc.gc.ca/E/pub/tp/it110r3/it110r3-e.pdf>

Note: Tax receipts for donations of USD \$20 or more are issued to US donors by the WFH affiliate, WFH USA.

## B. GST / PST Implications

Charitable gifts are not subject to the Canadian Goods and Services (GST)/Provincial Sales Tax (PST). Non-charitable donations must be reviewed on a case-by-case basis to determine their GST/PST status.

## VI. ROLES and RESPONSIBILITIES

Based upon the current WFH governance and staffing structure, these are the principal responsibilities for gift acceptance:

### A. WFH Board of Directors

- The WFH Board of Directors has a fiduciary responsibility to ensure that the terms and conditions under which donations were received are adhered to, including ensuring that the contributed capital and/or the income are utilized within the framework of the donations' Terms of Reference/Donor Agreement and that gifts-in-kind meet all legal and WFH program requirements.
- Based upon the recommendation of the SCP department, the Board of Directors is responsible for approving gifts for new endowments, new programs and/or restricted funds, and for gifts associated with naming opportunities.
- In approving such gifts, the Board of Directors ensures that gifts are mission-consistent and aligned with the strategic priorities of the organization.

### B. WFH CEO

- The CEO of the WFH is responsible for ensuring that all gifts accepted by the WFH are aligned with strategic and operational priorities; that they are not administratively or programmatically burdensome, and that they do not compromise the vision, mission and core values of the organization.
- The CEO is responsible for seeking and obtaining the approval of the Board of Directors with respect to proposed new endowed and / or restricted funds and confirmation of named funding opportunities.



#### C. Finance and Administration Department (F&A), Strategic and Community Partnerships (SCP)

- To act as liaison with donors and the WFH on all matters that pertain to the donation process, its administration and management including collaboration on the formulation of terms of reference, donor agreements, deeds of gift, etc. (SCP)
- To ensure that donations conform to CRA regulations, and once received and accepted, are accurately recorded and reported, and to ensure an appropriate charitable receipt is issued (F&A and SCP)
- To recognize the generosity of donors and their contributions to the organization (SCP)
- To maintain and operate specific guidelines and processes for processing, recording, tracking and receipting of philanthropic donations of all types accepted by the WFH (F&A and SCP).
- To review and assess proposed terms and conditions of donations to ensure compliance with the provisions in (IIIB) Gift Acceptance (F&A and SCP)
- To maintain the organizational file documenting the terms and conditions of endowed gifts or bequests to the WFH (F&A)
- To advise the CEO and Department Directors as to the terms and conditions of institutional endowments and restricted funds (F&A and SCP)
- To coordinate the acceptance, valuation and receipting of non-cash gifts, with the exception of Humanitarian Aid donations (F&A and SCP)

#### D. Finance & Administration Department

- To manage donations according to WFH policies and practices and to provide to the Board of Directors, on a semi-annual basis, reports to assist in the fulfillment of its fiduciary responsibilities toward donors
- To approve receipting value of gifts-in-kind
- To maintain the financial records for endowment and restricted funds established at WFH
- To allocate endowment income to each fund and process all revenue and disbursements relating to donations
- To provide required financial reporting in keeping with the management and donor requirements of the funds

## **VII. WFH REFERENCES**

- WFH Ethical Fundraising and Financial Accountability Code
- WFH-WFH USA Collaboration Agreement and WFH-WFH USA Services Agreement
- WFH Humanitarian Aid Policy
- WFH Policy on Relationships with Companies in the Pharmaceutical Industry
- WFH Investment Policy
- WFH Board and Committees Terms of Reference