

Revision date – December 6, 2007
Committee – Diocesan Council
Source - Planned Giving Subcommittee

MAJOR AND PLANNED GIFTS POLICY

DIOCESE of NOVA SCOTIA & PRINCE EDWARD ISLAND

**Approved by Diocesan Council
April 27, 2000**

Amended - September, 2001

Amended – April 22, 2004

Amended – December 6, 2007

DEFINITIONS

1. Deferred Gift

A gift that takes effect in the future, usually upon the death of the donor. E.G.: A bequest.

2. Designated gift

A gift where the donor directs that either the principal if unrestricted, or the annual investment return if restricted, be used for a particular purpose.

3. Endowment Fund

An individual fund where the donor has restricted the gift to use of annual income only. In this case a trust has been created with the Diocese as trustee. Also, a fund or funds that have been restricted to the use of income only by policy of the Diocese.

4. Fiduciary

n. from the Latin fiducia, meaning "trust". A person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the beneficiary) under circumstances which require total trust, good faith and honesty. The most common is a trustee of a trust, but fiduciaries can include business advisers, attorneys, guardians, administrators of estates, real estate agents, bankers, stock brokers, title companies, or anyone who undertakes to assist someone who places complete confidence and trust in that person or company.

5. General Endowment Fund

Any gifts that have been restricted by the donor, or by diocesan policy and are not named funds.

6. Named Fund

A permanent fund that is identified with a name selected by the donor.

7. Outright Gift

A gift that takes effect immediately. E.G. A gift of stock.

8. Planned Gift

Any type of outright or deferred gift involving the assets of the donor, and often requiring the assistance of a financial, legal or accounting professional to help complete the gift.

9. Restricted gift

A gift where the donor directs that the principal must be invested and only the annual investment return used.

1. INTRODUCTION

The Diocesan Synod of Nova Scotia and Prince Edward Island (hereafter referred to as “the Diocese”) wants to encourage donors to make both outright and deferred future gifts. The types of gifts that can be received include bequests, gift annuities, gifts of residual interest, gifts of securities, gifts of RRSP/RRIF’s, charitable remainder trusts, gifts of life insurance policies and proceeds, and such other gift arrangements Planned Giving Executive (hereafter “Executive”) may from time to time approve. All programmes, solicitation plans, and activities shall be subject to the oversight of the Planned Giving Subcommittee.

1.1 Purpose

The purpose of establishing these policies is to maintain the integrity of the Diocese when accepting gifts and to acknowledge the fiduciary responsibility of Diocesan Council members to protect diocesan assets and provide proper guidance to its management. In addition, the policies are intended to protect donors to the Diocese. Accordingly, all gifts to the Diocese, or through the Diocese on behalf of parishes and church-related ministries, shall be governed by the policies and procedures contained in this policy statement.

1.2 Parish Policies

Due to possible legal ramifications, the Diocese, parishes and church-related institutions are expected to use the policies outlined in this manual when accepting major and planned gifts to or through the Diocese. Parishes are encouraged to develop a similar policy and the Planned Giving Consultant (hereafter “the Consultant”) and the Planned Giving sub-committee (hereafter “the Committee”) is prepared to help any parish apply an appropriate gift acceptance policy for their use.

2. PROGRAM POLICIES

2.1 Administration of Program

The Consultant or Executive shall review prospective planned gifts to the Diocese. The Consultant shall provide all prospective donors with written confirmation of the acceptance or rejection of gifts.

The Consultant or a member of the Committee shall be assigned to each prospective gift and shall be charged with the responsibility for seeking appropriate approval.

2.2 Planned Giving Executive

The Executive shall meet when the Consultant or the Committee identifies gifts as outlined in Section 4 - Gift Acceptance Policies that should be reviewed and approved by the members of the Executive. The responsibility of the Executive is to review the proposed gift arrangement, properly screen, and accept or decline the gift. In certain situations the Executive may refer the gift proposal to Diocesan Council for final approval. The Executive also may make

recommendations on gift acceptance policy issues to the Planned Giving Committee.

At the discretion of the Consultant or the Committee representatives of church groups and institutions will be consulted as appropriate.

The Executive shall consist of the following members:

1. Planned Giving Consultant
2. Executive Secretary of Diocesan Synod
3. Diocesan Executive Director
4. Diocesan Controller
5. Chair of the Planned Giving Sub-Committee
6. Chair of the Administration and Finance Committee
7. The Diocesan Bishop or designate
8. The Diocesan Chancellor

Any four shall have the power to act.

2.3 Solicitation of Gifts

Only authorized representatives of the Diocese will make any formal solicitation of major and planned gifts. All employees, representatives or friends of a parish or church-related ministry or institution are encouraged to refer any prospective donor to the Diocese, parishes or church-related institutions as appropriate. The Consultant and members of the Planned Giving Sub-committee are authorized to negotiate planned gift agreements for the Diocese with prospective donors, following the program guidelines approved by the Diocesan Council.

2.4 Use of Legal Counsel

The Diocese shall seek the advice of legal counsel in matters relating to acceptance of gifts whenever appropriate, recognizing the Diocesan Council's fiduciary responsibilities. Some of the issues requiring such advice could be; assisting in the review of certain types of gifts offered; review of gift agreements containing unusual restrictions or designations; the review of transactions with potential conflicts of interest.

2.5 Conflict of Interest

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

2.6 Professional and Ethical Standards of Practices

All those representing the diocese during the negotiation and acceptance of a gift shall be guided by the following: 1. Professional and Ethical Standards of Practice for Volunteer and Staff Gift Planners and Representatives approved by Financial Management and Development Committee, General Synod. 2. Ethical code of the Canadian Association of Gift Planners. 3. Ethical Code of the Canadian Centre for Philanthropy. See Appendix A, B and C attached.

2.7 Confidentiality

All information concerning prospective donors shall be confidential. No information shall be released to the general public without the prior permission of the donor.

2.8 Independent Legal/Financial Counsel

Donors shall always be encouraged to secure the advice of independent legal and financial/tax counsel in all matters pertaining to a gift to any level of the Church. When gifts requiring the approval of the Executive (Section 2.2) are arranged, or for any gift when the person negotiating the gift deems it prudent, the donor(s) will be asked to sign a Diocesan disclosure form acknowledging that neither the Church nor its employees shall serve as counsel to the donor, stating in part as follows:

“The information provided to you by Diocesan representatives is available free of charge to you. We encourage and recommend that you consult with your lawyer, financial adviser, insurance professional and /or tax advisor to review and approve any information or other materials provided to you by Diocesan representatives.

Although we are unable to serve as your lawyer, financial advisor, insurance advisor or tax consultant, we will be more than willing to work with your independent advisors to assist you in making and finalizing your decision.”

2.9 Portion of Gift for Present Ministry

This policy is established to ensure that planned gifts accepted by the Diocese will be cost effective. Eight percent of gifts of certain financial instruments such as reinsured annuities or undesignated gifts to the Diocese, may be designated for the *present ministry and mission of the Diocese* and will become part of the revenue account of the Diocese in the year in which the gift is made.

2.10 Amendments

These Policies and Guidelines may be amended at any time by the Diocesan Council.

3. GIFT ACCEPTANCE POLICIES

3.1 Gifts Requiring Approval

All planned giving agreements requiring execution by the Diocese shall first be reviewed and approved as to the form by the Diocese’s legal counsel. Where substantially the same agreement

is used repeatedly, only the prototype needs to be approved.

Outright gifts of cash, publicly traded securities, life insurance and gift annuities do not require approval by the Executive. Any gift however, may be referred to the Executive if subject to possibly unacceptable restrictions.

The following major or planned gifts must be reviewed and approved by the Executive as per the Consultant's request. Before acceptance, relevant information about the gift shall be ascertained, including a copy of any appraisal secured by the donor. The Diocese reserves the right to secure its own appraisal.

- A. *Outright gifts of real estate, shares in privately-owned companies, tangible personal property, partnership interests, and other property interest not readily negotiable.*
- B. *Residual interest gifts*
- C. *Charitable remainder trusts*
The Diocese will not serve as trustee of charitable remainder trusts. Donors will be advised to select a trust institution, or other qualified trustee, to manage the trust.

3.2 Gift Approval/Acceptance

The Consultant shall submit to the Executive as required in Section 4.1.1 a written summary of the proposed gift with the following information:

- *Description of gift*
- *Purpose of gift*
- *Appraisals when appropriate*
- *Income/Expenses, encumbrances, carrying costs*
- *Environmental risks or problems*
- *Special arrangements for disposition requested by donor.*

3.3 Gift Restrictions and Designations

The Diocese encourages Anglicans to make unrestricted (the principal may be spent) and undesignated (not designated for a particular purpose) gifts.

Gifts that are restricted to the use of investment return only will be added to the diocesan consolidated trust fund. Gifts to establish named endowments (a permanent named fund with only annual investment return spent) will be accepted provided the arrangement meets the minimum amounts set out below. The Diocese may offer naming opportunities for such gifts. Gift purpose designations may be accepted provided they meet the mission and purpose of the Diocese. It is recognized that some gifts may have to be tactfully declined due to designations either outside the mission and purpose of the Diocese, or that may cause difficulties in administering the gift.

Minimum amounts required to establish:

Restricted gifts

any amount

Named, endowed funds - undesignated	minimum of \$10,000
Named, endowed funds - designated for a particular use	minimum of \$25,000

The Diocese may from time to time publish detailed naming opportunities with specified minimum amounts.

All final decisions on the restrictive nature of a gift designation, and its acceptance or refusal, shall be made by the Planned Giving Executive.

4. GIFT ACCEPTANCE PROCEDURES

There are two primary options available to a donor: an outright gift and a deferred gift.

A. OUTRIGHT GIFTS

An outright gift refers to a contribution of cash or property in which the donor retains no interest and which can be used immediately by the Diocese. Securing outright gifts is the Diocese's highest priority and donors who are able to make outright gifts will be encouraged to do so.

Gifts made to establish an endowment or designated for a particular use must meet the minimum funding requirements set by the Diocese. Although the Diocese welcomes outright gifts of property as well as cash, all property other than publicly traded securities and life insurance policies must be approved by the Gift Acceptance Committee before they can be received.

When issuing tax receipts for non-cash gifts special care shall be taken to ensure all provisions of the Income Tax Act are met. For non-cash gifts other than real estate or securities, where the donor has acquired the property within 3 years of making the gift, the issuing of the tax receipt must follow the "deeming" provisions under the Income Tax Act.

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

4.A.1 CASH

A. Description

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 the Diocese.

B. Procedures

1. The Diocese will accept an outright gift of any amount, though gifts established for endowment must meet the minimum funding requirements set by the Diocese. The Diocese welcomes outright gifts of property as well as cash, but all property other than publicly traded securities and life insurance policies must be approved by the Planned Giving Executive before they can be received.
2. When issuing receipts for gifts other than cash special care shall be taken to ensure that all provisions under the Income Tax Act are met. For gifts other than real estate or securities, where the donor has acquired the property within 3 years of making the gift, the tax receipt must follow the "deeming" provisions under the Income Tax Act.
3. A donor may complete a gift in a single transaction or make a pledge(s) to be paid over whatever period of time is mutually acceptable to the donor and the Diocese.

4.A.2 Gift Plus Annuity (Reinsured)

A. Description

The Gift Plus Annuity is a contractual arrangement whereby a donor transfers assets to the Diocese pursuant to an agreement authorizing the Diocese to purchase a commercial prescribed annuity that will pay the stipulated amount for the life of the annuitant(s) or for a term of years. Assets in excess of the amount required for the purchase of the commercial annuity are retained by the Diocese and used for purposes specified by the donor and acceptable to the Diocese. Determination of the gift receipt and taxation of annuity payments will be in accordance with the Income Tax Act and Interpretation Bulletins issued by Canada Revenue Agency.

Notwithstanding the above, at the discretion of the Planned Giving Consultant, the donor may be assisted to purchase their own annuity from an insurance company using a portion of their capital and donating the remainder.

B. Procedures

1. The commercial insurance company shall be selected, and the terms of the annuity contract negotiated, by the Consultant. Only highly rated companies that provide protection through 'COMPCOR' or equivalent shall be selected to reinsure an annuity obligation.
2. The cost of the commercial annuity should not exceed 80 percent of the assets transferred in order to qualify under the Income Tax Act.

3. The donor may designate the purpose of the gift (amount retained) subject to the consent of the Diocese.
4. The minimum amount the Diocese will accept for a Gift Plus Annuity is \$15,000.

4.A.3 Life Insurance

A. Description

Usually a life insurance gift is used to arrange a deferred gift. However a donor may assign irrevocably a paid-up policy to the Diocese. A tax receipt is issued for the cash value of the policy. The donor should be advised that there may be a taxable gain in the policy. However the tax credit should at least offset the gain.

B. Procedures

Normally a paid up policy will be converted to cash unless it is determined that is advantageous for the Diocese to retain the policy. *If the policy is to be retained see section 4.B.4 for further details about insurance policies.*

4.A.4 Gifts of RRSP / RRIF's

A. Description

Donors may make gifts of the proceeds of their Registered Retirement Savings Plans (RRSP) or Registered Retirement Income Funds (RRIF). The funds are taxed at source upon withdrawal. The tax credit produced when donated will offset this tax.

B. Procedures

1. To be considered for acceptance the gift must not subject the Diocese to liability and must not have adverse tax consequences on the Diocese.
2. Donors should be advised to obtain professional advice regarding the tax consequences of such donations.

4.A.5 GIFTS IN KIND

A. Description

A gift in kind refers to a gift of property other than cash, such as capital property and *personal use property*. Canada Revenue Agency (hereinafter "CRA") does not consider a gift of services to be a gift in kind.

B. Procedures

When accepting any gift in kind it is critical that a proper valuation of the property be obtained following the rules established by CRA. When a gift in kind is offered it must be examined in light of the following criteria:

1. Does the property fulfill the mission of the Diocese?
2. Is the property marketable?

3. Are there any undue restrictions on the use, display or sale of the property?
4. Are there any carrying charges for the property?

Donors should be advised that, except in unusual circumstances, it is anticipated that the property once acquired, will be sold with the proceeds used in support of diocesan ministry.

4.A.6 Listed Personal Property

A. Description

Personal use property includes a special class of property called *listed personal property*. Items in this class of property usually increase in value.

Personal use property includes:

1. prints, etchings, drawings, paintings, sculptures, or similar works of art;
2. jewelry
3. rare folios, rare manuscripts, or rare books;
4. stamps and coins

B. Procedures

1. The decision by the Gift Planning Executive to accept this type of gift must be made in light of the criteria listed in Section 4.A.5 above. Before accepting the gift the property shall be appraised. For gifts with a value in excess of \$1,000 an appraisal by a qualified appraiser must be obtained. Normally the cost of the appraisal is borne by the donor. The Diocese reserves the right to obtain its own appraisal and base the value of the tax receipt on it.
2. Personal use property with a limited re-sale market normally will be tactfully declined.

4.A.7 Gifts of Securities

A. Description

Donors may make gifts of securities including publicly owned shares, stocks, bonds and mutual funds. These can be accepted so long as the Diocese assumes no liability in receiving them and would be subject to no penalties.

B. Procedures

1. To be considered for acceptance, partnership interests must not subject the Diocese to cash calls or other liability and must not have adverse tax consequences on the Diocese.
2. Publicly-traded securities may be accepted if they will not subject the Diocese to penalties and can be sold, either once acquired or in the future, to the corporation, other stockholders, or to others interested in acquiring the shares of the corporation.
3. A donation receipt is issued for the fair market value of the securities donated. Fair market value is the closing price on the day the shares are received *electronically* by the Diocesan

custodian, or in the case of *certificates*, the day they are physically received by the Synod Office.

4.A.8 Gifts of Shares in Privately Owned Companies and Other Business Interests

A. Description

Gifts of privately owned shares and other business interests such as partnership interests may be accepted by the Executive as long as the Diocese assumes no liability in receiving them and will not be subject to penalties. In some instances the corporation may be willing to redeem privately owned shares, or other stockholders may be willing to purchase them.

B. Procedures

1. To be considered for acceptance, shares or partnership interests must not subject the Diocese to cash calls or other liability and must not have adverse tax consequences on the Diocese.
2. Shares or partnership interests may be accepted if there is strong likelihood they can be sold in the future to the corporation, other stockholders, or to others interested in acquiring the corporation.
3. Normally an independent valuation of the shares will be required. Such services shall be provided by an individual certified by the Canadian Institute of Certified Business Valuators. The cost of such a valuation normally will be paid by the donor.
4. The tax receipt shall be prepared following the normal procedures for gifts in kind.

4.A.9 Gifts of Limited Partnership Flow-through Shares

A. Description

Limited Partnership Flow-through shares are a legitimate tax shelter created by the Federal Government through special provisions in the Income tax Act to encourage investment in the exploration and development of Canada's natural resources. Qualified companies may "flow-through" income tax deductions associated with certain activities to shareholders who have invested in the company's exploration activity. The expenditures deducted by the investor reduces the cost base of the shares held.

Once the exploration is complete (usually after 18 to 24 months) investors typically exchange the flow-through shares for normal, publicly-listed securities of the issuer on a tax deferred basis. Since flow-through shares are generally deemed to have an adjusted cost base of nil, a significant capital gain will normally occur when these securities are sold. If the securities are donated the capital gains inclusion rate of 0% for gifts of publicly-listed securities will apply.

This type of arrangement can be attractive to certain donors as they will receive an immediate tax deduction of the investment, completely eliminate the capital gains tax on the donation of the securities and receive the normal federal and provincial tax credits for charitable donations.

However, donors need to be aware of the risks associated with investment in resource exploration sector.

B. Procedures

1. A gift of flow-through shares will not be accepted by the Diocese due to the difficulty in valuing the shares. However, the Diocese will accept a gift of the publicly-listed security as per Section 5.A.7.
2. The Diocese will not participate in promoting the purchase of flow-through shares of a particular exploration company or mutual fund of companies. Doing so could expose the Diocese to the strict regulations concerning the promotion of tax shelter gift arrangements. The Diocese may however, refer interested individuals to brokers and financial planners who offer this type of investment. The individual may decide to arrange a gift to the Diocese of the publicly listed security to take advantage of charitable tax benefits.

4.A.10 Gifts of Real Estate

A. Description

Gifts of real estate may be made in various ways: outright, residual interest in the property, or to fund a charitable remainder trust. The following guidelines pertain to gifts of real estate in general. Where real estate is transferred to a charitable remainder trust, additional requirements of the trustee must be met.

B. Procedures

1. The donor shall secure a qualified appraisal of the property.
2. Unless the Executive has reason to believe this appraisal does not reflect the property's true value, a gift receipt will be issued for the appraisal value (or present value of the residual interest computed on the appraised value in the case of residual interest gifts). However, the Diocese reserves the right to secure its own appraisal and issue a gift receipt based on it.
3. The Planned Giving Executive shall carry out a broad review the proposed gift and consider zoning restrictions, marketability and current use and cash flow to ascertain if acceptance of the gift would be in the best interests of the Diocese. The Gift Acceptance Committee shall consider the following:
 - a. Is the property useful for the purposes of the Diocese? Except in unusual circumstances it is anticipated that the Diocese will sell any real estate donated and use the proceeds for its ministry.
 - b. Is the property marketable?
 - c. Are there any restrictions (e.g.: zoning), reservations, easements or other limitations associated with the property?
 - d. Are there carrying costs, such as insurance, property taxes, mortgages or liens associated with the property?
 - e. What is the current use of the property? Is there a current cash flow?

4. The Executive shall ordinarily conduct an environmental assessment, which may include an environmental audit, and accept the property only if (a) it contains no toxic substances, or (b) they are removed or other remedies taken assuring that the Diocese assumes no liability whatsoever.
5. Generally, the cost of appraisals and environmental audits will be borne by the donor.

B. DEFERRED GIFTS

4.B.1 Gift Annuity (Self-insured)

A. Description

Gift Annuities shall be arranged through the General Synod of the Anglican Church of Canada following the terms and policies as set by General Synod.

The gift annuity is a contractual arrangement whereby a donor transfers assets to the General Synod in exchange for fixed, guaranteed payments for the life of the annuitant(s). Determination of the gift receipt and taxation of annuity payments will be in accordance with the Income Tax Act and Interpretation Bulletins issued by Canada Revenue Agency.

B. Procedures

1. The minimum amount the General Synod will accept for a gift annuity is \$1,000. The gift annuity rates offered by the General Synod shall not exceed those recommended by the Canadian Association on Charitable Gifts for self-insured gift annuities.
2. Subject to the consent of the General Synod, the donors may designate the purpose for which the gift annuity residuum is used. The "residuum" refers to the amount of the original contribution retained by the General Synod after satisfying all annuity payment obligations.

4.B.2 Gift of Residual Interest

A. Description

A gift of a residual interest refers to an arrangement (ordinarily in the form of a trust) where property is irrevocably committed to the Diocese, and the donor retains use of the property for life or a term of years. For example, the donor might give a residual interest in a residence and continue to live in it. The donor is entitled to a gift receipt from the Diocese for the present value of the residual interest.

B. Procedures

1. The donor shall continue to be responsible for real estate taxes, insurance, utilities and maintenance after transferring title to the property unless the Diocese, upon prior approval of the Executive, agrees to assume responsibility for any portion of these items. The terms of

the gift and responsibilities for expense shall be specified in a deed of gift executed by the donor(s) and the Diocese.

2. The Diocese reserves the right to inspect the property from time to time to ensure that its interest is properly safeguarded.

4.B.3 Charitable Remainder Trusts

A. Description

The charitable remainder trust is a form of a residual interest gift. The donor (“settlor”) transfers property to a trustee who holds and manages it. If the property is income-producing, the net income will be paid to the donor and/or other named beneficiary. When the trust terminates (either at the death of the beneficiary(ies) or after a term of years), the trust remainder is distributed to the Diocese. If the trust is irrevocable, the donor is entitled to a gift receipt for the present value of the residual interest.

B. Procedures

1. A charitable remainder trust may be funded with cash, securities or real estate.
2. The trust may be funded with any property of any value that is acceptable to the trustee.
3. The trust agreement shall be either drafted by or reviewed by the donor’s own legal counsel. The Diocese may make prototype agreements available to the donor’s legal advisor, but shall execute no agreement until that person has determined that the trust agreement is in the proper form and that the gift is appropriate for the donor’s situation.
4. The Diocese will not serve as trustee of charitable remainder trusts. Donors will be advised to select a trust institution, or other qualified trustee, to manage the trust.

4.B.4 Life Insurance

A. Description

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 ministry.

There are various methods by which a life insurance policy may be contributed to the Diocese.

A donor may:

- Assign irrevocably a paid-up policy to the Diocese (see section 4.A.3);
- Assign irrevocably a life insurance policy on which premiums remain to be paid; or name the Diocese as a primary or successor beneficiary of the proceeds.

- Assign a life insurance policy and 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 the Diocese.

When ownership is irrevocably assigned to the Diocese, the donor is entitled to a gift receipt for the net cash surrender value (if any) and for any premiums subsequently paid.

B. Procedures

1. Any of the above methods are acceptable to the Diocese. In the event a policy is contributed on which premiums remain to be paid, the Diocese 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.
2. In the event that the donor ceases to contribute the premiums the Executive will recommend to the Administration and Finance committee whether the Diocese should continue the premium payments or surrender the policy to receive the cash value, if any.
3. 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.
4. 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.
5. Term insurance policies are not appropriate for charitable giving and will be declined.

4.B.5 Gifts of RRSP/RRIF's

A. Description

Donors may make gifts of Registered Retirement Savings Plans (RRSP) or Registered Retirement Income Funds (RRIF) by designating the Diocese as beneficiary of the plan. When paid out upon the death of the donor 100% of the plan is subject to income tax. The tax credit from the donation will offset this tax.

B. Procedures

To be considered for acceptance the gift must not subject the Diocese to liability and must not have adverse tax consequences on the Diocese.

4.B.6 **Bequests**

A. Description

Bequests have historically been the most important kind of deferred gift, and they have contributed significantly to the building of institutional endowments. The encouragement of bequests will be one of the highest priorities of the Diocese.

B. Procedures

1. Sample bequest language for restricted and unrestricted gifts, including endowments, will be made available to donors and their lawyers to ensure that the bequest is properly designated. Donors will also be invited to provide information about their bequest provision and, if they are willing, to send a copy of that section of their will naming the Diocese.
2. During the probate of estates containing a bequest to the Diocese and during the post-death administration of revocable trusts containing provisions benefiting the Diocese, the Consultant together with the Executive Assistant to the Bishop, in consultation with the Diocese's legal counsel, shall represent the Diocese in all dealings with the lawyer and executor(s) of the estate.
3. Bequests involving gifts in kind shall be dealt with following the procedures in Section 3.1

5. Resolution

It is a basic Christian belief that we are made in the image of a generous God and that we are born with a need to respond to God's generosity.

We also believe that we are called by God to exercise good stewardship of all God's generous gifts to us including our accumulated assets.

The Diocese wishes to increase private support both to augment endowment and enhance current programmes.

The Diocese has a responsibility to ensure that the promotion of gift planning is conducted with the highest possible standards in order to protect both the Diocese and individual donors.

Be it hereby RESOLVED that the Diocesan Council approves the attached Major and Planned Gifts Policy dated April 27, 2000 to further the work of the planned giving programme in the Diocese of Nova Scotia and Prince Edward Island.

Dated this _____ day of _____, 19_____.

Appendix A

Professional and Ethical Standards of Practice for Volunteer and Staff Gift Planners and Representatives

*Ministry of Planned Giving
General Synod of The Anglican Church of Canada*

Introduction

The Anglican Church of Canada encourages individuals to consider their responsibilities as Christian stewards, and through Planned Gifts provides opportunities to support the work of God through the Church at all levels. Planned Giving is a means for individuals to express their faith in a tangible way by sharing a portion of the generous gifts which God provides. While tax incentives on certain gifts may be provided by Revenue Canada, the Anglican Church of Canada maintains that the principal basis for making a charitable gift to the church should be to support God's work.

The following statement is based on the "standards" established and published by the former Stewardship and Financial Development Committee of General synod in August 1993. The statement has been endorsed by the Diocese of New Westminster in 1994, and offers an excellent model for the whole church. In addition, the statement is augmented by the Code of Ethics (version III of the *Canadian Association of Gift Planners* see Appendix I), and the *Ethical Code for Charitable Fundraising and Financial Accountability* (see Appendix II) of the Canadian Centre for Philanthropy.

We propose the Planned Giving Subcommittee of the national Financial Management and Development Committee adopt the following *Standards of Professional and Ethical Practice*, and the *Ethical Code for Charitable fundraising and Financial Accountability*, and review this document again after two years.

Standards of Professional and Ethical Practice

1. The principal basis for making a charitable gift should be a desire on the part of donors to support the work of the Anglican Church of Canada as an expression of their faith. Gift Planners shall ensure that the gift planning process achieves a fair and proper balance between the interests of the donors and the aims and objectives of the Anglican Church of Canada.
2. The Gift Planner shall in all dealings with donors, institutions and other professionals act with fairness, honesty, integrity, and openness and shall have no vested interest that could result in personal gain.
3. The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and should advise donors only in areas in which he or she has been trained, or in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they recognize when they have reached the limits of their knowledge and expertise and as a result then include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.
4. The Gift Planner shall make every reasonable effort to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.
5. The Gift Planner will follow accepted principles of sound business management and accounting and so ensure that all procedures and practices employed will bring credit to the Planned Giving program of the Anglican Church of Canada.
6. The Gift Planner will provide appropriate and accurate explanations about tax incentives and tax implications of all donors' gifts. It is understood that governments have provided charitable gift tax incentives, but emphasis in giving should always be on the philanthropic motivation of the donor.
7. The Gift Planner shall in all cases strongly encourage the donor to discuss the proposed gift with competent, independent legal and tax advisors of the donor's choice. A gift Planner shall comply fully with, and shall encourage other parties in the gift planning process to comply fully with both the letter and the spirit of all applicable federal, provincial, regional and local laws and regulations.
8. The Gift Planner shall maintain a high degree of discretion in all dealings with donors and shall hold in strictest confidence all information concerning the business and other affairs of the donor acquired in the course of discussions. The Gift Planner shall not divulge such information unless disclosure is authorized by the donor, or required by law.
9. The Gift Planner shall, to the extent possible, ensure that contributions are used in accordance with donors intentions.

Appendix B

CODE OF ETHICS

Canadian Association of Gift Planners (CAGP)

(Version III) – February 4th 2004

Recognizing the ideal of preserving and enhancing philanthropy, holding to the concept of an ethical stewardship of professional life which would bring credit to the gift planning profession, valuing the privacy, freedom of choice, and interests of all those affected by their actions, desiring to treat all people with dignity and respect, and actively encouraging all colleagues to embrace and practice ethical principles, the members of the Canadian Association of Gift Planners adhere to the following standards of professional and ethical practice.

CODE OF ETHICS

This Code of Ethics shall apply to all members of the Association.

1. Objectives

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

2. The Integrity of Members

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

3. 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.

4. 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.

5. 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 Ombudsman will be responsible for investigating complaints lodged against members.

It is recommended that members notify the CAGP 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 Ombudsman in his /her investigation. Members shall respect and agree to adhere to the CAGP Ombudsman's recommendations. The recommendations issued by the CAGP Ombudsman are strictly confidential and under no circumstances are they to be published or made public.

Appendix C

Ethical Code for Charitable Fundraising and Financial Accountability Canadian Centre for Philanthropy

Introduction

This Ethical Fundraising Code is being developed by the Canadian Centre for Philanthropy, in consultation with charity leaders throughout Canada. Its primary purpose is to assure donors of the integrity and accountability of the charities that solicit and receive their financial support.

Charities that adopt this Ethical Fundraising code, once it is finalized, will be committing to fundraising practices that respect donors' rights to truthful information and to privacy. They will be committing to responsible management of the funds that donors entrust to them, and to report their financial affairs accurately and completely.

It is proposed that the governing board of a charity may adopt this Ethical Fundraising Code as organizational policy only by passing the following motion as a formal resolution.

"[Name of charity] hereby adopts the Canadian Centre for Philanthropy's *Ethical Code for Charitable Fundraising and Financial Accountability* as a policy of this charity. In so doing, members of the governing board commit to be responsible trustees of funds donated to the charity, to exercise due care concerning governance of the charity's fundraising and financial reporting, and to ensure to the best of their ability that the charity adheres to the provisions of the *Code*. It is hereby confirmed that each member of the governing board has received a copy of the *Ethical Fundraising Code* and that a copy will also be provided to each person who is subsequently elected to the governing board."

It is proposed that a charity whose governing board adopts this Ethical Fundraising Code in its entirety, without amendment or omission, be authorized by the Canadian Centre for Philanthropy for a period of two years from the date of adoption to state that it has stated the Canadian Centre for Philanthropy's "Ethical Code for Charitable Fundraising and Financial Accountability", or "Ethical Fundraising Code." Continued authorization beyond two years would require that the governing board re-adopt the Ethical Fundraising Code.

This Ethical Fundraising Code complements the professional codes of ethics and standards of practice to which many fund-raisers individually adhere (such as those of the National Society of Fund-raising Executives, the Association for Healthcare Philanthropy, the Canadian Association of Gift Planners, and other national, provincial or sectoral organizations.)

The Fundraising provisions of this Ethical Fundraising Code apply to all gifts for which donors are entitled to receive an official receipt for income tax purposes. Other forms of revenue-raising, such as charitable gaming or product sales to assist a charity, may involve additional ethical considerations that are not addressed in the Ethical Fundraising Code.

Donors or prospective donors who have questions or concerns about fundraising activities should, first, contact the charity on whose behalf the funds are being solicited. Charities that adopt the Ethical Fundraising Code are committed to deal with such queries promptly and fairly. The Charities Division of Revenue Canada also provides information and receives complaints about registered charities at 1-800-267-2384

A. Donors' Rights

1. All donors of money or other eligible gifts (as defined by Revenue Canada Interpretation Bulletin IT-110R) are entitled to receive an official receipt for income tax purposes that reflects the fair market value of the gift. The charity's governing board may establish a minimum amount for the automatic issuance of receipts, in which case smaller donations will be receipted upon request.
2. All fundraising solicitations by or on behalf of the charity will disclose the charity's name and the purpose for which funds are requested. Printed solicitations (however transmitted) will also include the charity's registration number (BN) as assigned by Revenue Canada, and its address or other contact information.
3. Donors and prospective donors are entitled to the following, promptly upon request and at no charge (except that the charity may recover costs of reproduction and distribution):
 - the charity's most recent annual report and financial statements as approved by the governing board;
 - any information contained in the public portion of the charity's most recent Charity information Return (form T3010) as submitted to Revenue Canada;
 - a list of the names of the members of the charity's governing board; and
 - a copy of this Ethical Fundraising Code.
4. Donors and prospective donors are entitled to know, upon request:
 - whether an individual soliciting funds on behalf of the charity is a volunteer, and employee, or a hired solicitor, and
 - the charity's policy and practice concerning the rental, exchange or other sharing of its list of donors.
5. Donors will be encouraged to seek independent advice concerning any proposed gift that might significantly affect the donor's financial position, taxable income, or relationship with other family members.
6. Donors' requests to remain anonymous will be respected.
7. The privacy of donors will be respected to the greatest extent possible. Any donor records

that are maintained by the charity will be kept confidential.

8. Donors and prospective donors will be treated with respect. Every effort will be made to honor their requests to:

- be excluded from fundraising lists that the charity uses itself or , if applicable, shares with other organizations;
- limit the frequency of solicitations;
- not be solicited by telephone or other technology;
- receive printed material concerning the charity.

9. Donors and prospective donors will not knowingly be subjected to harassment or undue pressure.

10. Any complaints by donors or prospective donors about alleged violations of this *Ethical Fundraising Code* will be investigated by the charity promptly and fairly. Results of the investigation, including any corrective action, will be reported to the complainant. A complainant who remains dissatisfied may appeal in writing to the charity's governing board or its designate, and will be advised in writing of the disposition of the appeal.

B. Fundraising Practices

1. Fundraising solicitations on behalf of the charity will:

- be truthful;
- accurately describe the charity's activities and the intended use of donated funds; and
- respect the dignity and privacy of those who benefit from the charity's activities.

2. Volunteers, employees and hired solicitors who solicit or receive funds on behalf of the charity shall:

- adhere to the provisions of this *Ethical Fundraising Code*;
- act with fairness, integrity, and in accordance with all applicable laws
- adhere to the provisions of applicable professional codes of ethics, standards of practice, etc.
- Disclose immediately to the charity any actual or apparent conflict of interest; and
- not accept gifts that are inconsistent with the charity's objects or mission.

3. Paid fund-raisers, whether staff or consultants, will be compensated by a salary, retainer or fee, and will not be paid finders' fees, commissions, percentage-based compensation or other payments based on either the number of gifts received or the value of funds raised.

Compensation policies, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with the charity's policies and practices that apply to

non-fundraising personnel.

4. The charity may provide access to, but will not relinquish ownership or control of its list of donors. If applicable, any rental, exchange or other sharing of the charity's donor list will exclude the names of donors who have so requested (as provided in section A8, above), and will be for a limited period of time and a specified purpose.

C. Financial Accountability

1. The Charity's financial affairs will be conducted in a responsible manner, consistent with the legal and ethical obligations of trusteeship.

2. All donations will be used to support the charity's objects, as approved by Revenue Canada.

3. All restricted or designated donations will be used for the purposes for which they are given. If necessary due to program or organizational changes, alternative uses will be discussed with the donor or the donor's legal designate. In any event, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

4. Annual financial reports will:

- be factual and accurate;
- disclose both the gross amount of donations that are receipted for income tax purposes, and the net revenues remaining after fundraising costs are deducted;
- identify government grants and contributions separately from other donations; and
- be prepared in accordance with generally accepted accounting principles and standards established by the Canadian Institute of Chartered Accountants.

5. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. In any event, the charity will meet or exceed Revenue Canada's requirement for expenditures on charitable activities. (In general, section 149.1 of the *Income Tax Act* requires all charities to spend at least 80 percent of their receipted donations on charitable activities; in addition, charitable Dioceses are required every year to expend 4.5 percent of the value of their assets in support of charitable programs.)

6. The cost-effectiveness of the charity's fundraising program will be reviewed annually by the governing board.

7. If applicable, the governing board will establish the charity's policy concerning the reasonable allocation of any expenses that pertain in part to fundraising and, in part to charitable activities (such as public education).