



LEGACY GIFT POLICY

PURPOSE

First-St. Andrew's is an inclusive Christian family encouraging spiritual growth through worship, friendship, learning and action.

Legacy gifts must support the mission and vision of First-St. Andrew's (hereafter referred to as FSA) to ensure the interests of the donor are taken into account and to comply with all legal and ethical guidelines.

The purpose of this policy is to identify various types of legacy gifts such as annuities, bequests, charitable remainder trusts, gifts of life insurance, property, publicly listed securities, registered plans, gifts of residual interest and to provide specific acceptance guidelines for those gifts and the initiatives to be undertaken to recognize them.

USE OF GIFTS

FSA can best meet the present and emerging needs of the church and its members through the acceptance of *unrestricted gifts*. Gifts are *restricted* only at the explicit direction of the donor and in consultation with the Chair of Council, Chair of the Board of Trustees, Treasurer and the Minister of Worship and Congregational Life, who will make a recommendation to the Board of Trustees on whether to accept this *restricted gift*.

DEFINITIONS OF RELATED TERMS

Bequest – a specific provision in a will, directing assets from an estate to FSA.

Gift Agreement – a document signed by the parties evidencing the gift and outlining the donor's and FSA's intent and conditions tied to the gift.

Legacy Gift – a voluntary, planned future donation of real or personal property given through a will or other form of designation from a donor to FSA.

Confidential Information – All information about donors or prospective donors, including names, beneficiaries, gift amounts, estate sizes should be kept strictly confidential by FSA authorized personnel unless permission is obtained from the donor to release such information.

Authorization for Negotiation – Any two of the following have the authority to negotiate legacy gifts on behalf of FSA: Chair of Council, Chair of Board of Trustees, and the Treasurer.

RESPONSIBILITIES TO DONORS

Ethics – The task of those involved on behalf of FSA is to inform, serve, guide or otherwise assist donors in fulfilling their philanthropic intent. Never, under any circumstances, should donors be pressured or unduly persuaded. No agreement, contract, or commitment should be urged upon any donor that would benefit FSA at the expense of the donor's interest. No agreement should be made between FSA and any agency, person, company or organization on any matter – whether investments, management or otherwise that would knowingly jeopardize the donor's interests.

Conflict of Interest - Prospective donors will be advised to contact their own lawyers, financial planners, insurance agents, trust professionals, accountants or investment advisors. At any time should a person associated with FSA in any capacity who is negotiating a gift with a donor senses a conflict of interest between themselves and the donor's interests, that person should either declare the conflict of interest to the donor, or find someone else to carry out the negotiations.

In addition, donors should be encouraged to discuss their gift plans with family members when appropriate.

Gift Agreement – A customized gift agreement will be prepared for gifts with specific designation outlining the wishes of the donor and the accountability of FSA in adhering to those wishes.

Gift Direction – FSA will work closely with a donor wishing to make a restricted gift to FSA to see that there is an alignment between the donor's intent and the needs of FSA and its members. On rare occasions, a gift may not be accepted due to the inability of FSA to meet the restrictions placed on the gift by the donor.

Power to Vary – Should the purpose for which the gift has been received change, every attempt will be made to discuss the change with the donor. If gaining donor permission on altering the original use of the gift is not possible, FSA will realign the use of the gift, meeting as closely as possible the donor's original intent. A donor gift agreement where appropriate will include a clause that empowers FSA to vary the use of the gift in the absence of the donor's ability to give consent to such change.

Cash Gifts – Receipts will be issued for gifts of cash based on the amount received in accordance with CRA guidelines.

Gift of Publicly Traded Securities – FSA will accept gifts of securities with the understanding that they may be immediately liquidated.

Gifts of Life Insurance – A gift of life insurance may be made to FSA by:

1. Assigning a paid up revocable or irrevocable policy to FSA or assigning a pre-existing revocable or irrevocable life insurance policy to FSA on which premiums remain to be paid.
2. Creating a new revocable or irrevocable policy to FSA.

3. Naming FSA as a primary or successor beneficiary of the proceeds.
4. In the event that a policy is gifted to FSA on which premiums are owing, the donor will continue to pay the premiums until the policy is paid in full. If the donor ceases to make premium payments, two of the Chair of Council, Chair of the Board of Trustees or the Treasurer will make recommendations to the Board of Trustees as to whether or not it is in the best interests of FSA to continue premium payments until the policy is paid in full or throughout the life of the insured.

Bequests/Legacy Gifts – Donors who have designed legacy gifts will be invited to provide information about their bequest to FSA.

If FSA receives a bequest that is designated to a program or activity in which FSA is no longer engaged, the Board of Trustees, in consultation with the estate's executor, will investigate alternate designations that align as closely as possible to the donor's original intent.

Re-insured Gift Annuity – FSA is only permitted to accept re-insured gift annuities or gift annuities arranged through the United Church Foundation.

Gifts of Real Estate – Gifts of real estate may be made to FSA. The following guidelines pertain to gifts of real estate.

1. The donor shall be responsible for securing and funding a qualified, current appraisal of the property, which may include a Phase 1 Environmental Assessment. Non-residential property must be valued by independent qualified appraisers, at the donor's expense.
2. FSA may request its own independent appraisal and in that case, will be responsible for all related or associated costs.
3. FSA shall ensure there is clear title to the property. If clear title is not possible, other alternatives may be discussed with the donor to allow the gift to be made.
4. FSA shall review other factors, including: zoning restrictions, marketability and other dispensation considerations, current use, cash flow, and other types of risk, to ascertain that acceptance of the gift would be in the best interests of FSA.
5. FSA shall consider all appropriate environmental conditions, which may include an environmental assessment by an outside source where deemed necessary, and accept the property only if: it contains no toxic substances; they are removed or other remedies taken to ensure that FSA assumes no liability whatsoever, or; the environmental assessment is acceptable to the Board of Trustees.

Gifts of Residual Interest – FSA will accept gifts of residual interest. These gifts will be valued based on 'discounted value' as determined by actuarial calculations provided by CRA, and receipted accordingly.

Donors making gifts of residual interest in real estate shall be responsible for real estate taxes, insurance, utilities and all other expenses relating to the care and maintenance of the property after transferring title unless otherwise agreed in consultation with any two persons appointed to negotiate acceptance of a gift. They are as stated above: Chair of Council, Chair of the Board of Trustees and the Treasurer.

FSA reserves the right to review any insurance coverage and to inspect the property from time to time to assure that the FSA's interest is properly safeguarded.

Charitable Remainder Trusts – FSA accepts gifts of charitable remainder trusts. These gifts will be valued based on 'discounted value' as determined by actuarial calculations provided by CRA and receipted accordingly.

The minimum to establish a trust is \$100,000.

The trust agreement shall be drafted and reviewed by the donor's own legal counsel prior to being reviewed and agreed to by FSA.

Controversial Gifts – Recognizing that there is the potential for controversy with the acceptance of gifts from certain individuals, foundations, businesses or corporations those responsible for negotiation of gifts will follow the guidelines for ethical decision-making as a guide.

FSA reserves the right to refuse any gift. FSA reserves the right to refuse to issue a charitable receipt if it is determined the gift does not meet the charitable donation criteria and regulations as defined by CRA.

Due diligence should always be exercised prior to acceptance of gifts using the following guidelines:

Evaluation by those Authorized to Negotiate – All gifts should be evaluated to ensure that acceptance is in keeping with the mission, vision and values of FSA. Concerns are to be discussed fully with those persons authorized to negotiate gift acceptance.

If a gift is deemed controversial those responsible for negotiation may engage an appropriate committee consisting of members of FSA Council and the Board of Trustees. Those discussing potential controversial gifts are to use the following ethical framework for decision making. Findings will be presented to FSA Council for final discussion and recommendation to either accept or deny the gift.

Ethical Framework for Decision-Making on Controversial Gifts –

1. Is there agreement between the donor and FSA as to the intent of the gift?
2. Will accepting the gift further the mission, goals and objectives of FSA?
3. How will acceptance of the gift be viewed by existing donors?
4. Will public perception of FSA be strengthened by acceptance of the gift?
5. Is acceptance of the gift consistent with other FSA fundraising activities?
6. Will the reputation of the donor have a negative effect on FSA's reputation?
7. What are the potential liabilities associated with accepting the gift?
8. Who is responsible for any costs associated with accepting the gift?
9. Will the gift encourage/discourage others to consider a gift?
10. Is the gift in accordance with CRA guidelines?

The following should also be considered when accepting a gift:

1. Will the gift require ongoing maintenance/management?
2. Is the gift in accordance with FSA's Investment Policy?
3. Is this effort worthwhile considering the value of the gift?

4. Does the gift pose any potential liability for FSA?
5. Is this a joint gift that involves another charity?

Declining a Gift – In the event the decision is made to decline a gift, reasons for doing so must be fully explained in writing with the donor or donor's representative. The following framework for decision-making will be used when declining a gift.

1. Conditions imposed by the donor are inconsistent with FSA's Mission and Values.
2. The gift may be deemed controversial or unsuitable.
3. There is a perceived lack of charitable intent by the donor.
4. The gift could negatively affect the financial viability of FSA.
5. The terms of the gift are illegal or not compliant with CRA guidelines.
6. FSA does not have the resources to manage the terms of the gift.
7. FSA does not have the resources to properly determine the gift's value.
8. There are known environmental hazards related to the gift.
9. The donor has misrepresented the gift or false promises have been made.
10. The gift could improperly benefit the donor.

Proudfoot Legacy Tree

The Proudfoot Legacy Tree recognizes legacy gifts to FSA provided for in the last will and testament of the donor.

Recognition of Donors

Individuals who leave a legacy gift to FSA will be recognized by the addition of a leaf to the Proudfoot Legacy Tree and with an entry made in the Memorials Registry.

Bequests and Other Legacy Gifts

- Bequests (donations through your will) in cash or in kind or legacies
- Residual interest in estate value
- Publically listed securities
- Gifts of life insurance
- Charitable remainder trusts
- Gifts of property
- Annuity
- Residual value of retirement assets (RRSP or RRIF)
- Other

Process for Recognizing Donors

When a gift provided for in the last will and testament of the donor is received by FSA, the Memorials Committee of the Board of Trustees shall make a recommendation, through the Board of Trustees, to Church Council for suitable recognition. A leaf appropriately inscribed will be added to the Proudfoot Legacy Tree recognizing the legacy or bequest or other testamentary gift. A notation is concurrently made in the Memorials Book to recognize this gift.

REVIEW

The contents of this Policy document and any modifications thereto, will be reviewed formally by the Board of Trustees on a biennial basis at the first meeting of the Board in that year to ensure any amendments required or adjustments to the Policy due to changing circumstances are updated and documented.

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