



Helping Kids with Physical Disabilities Succeed

## Overview

The following provides information on the Easter Seals Ontario gift acceptance procedures.

## Purpose

To ensure the proper steps are taken when accepting gifts in accordance with Easter Seals Ontario policies, maintaining the organization's high level of commitment to donor stewardship. Donations of any kind may be only directed towards a program(s)/project(s) of Easter Seals Ontario, related to the vision and mission of the organization, and never to benefit a particular individual (s). Donations by definition may be only made without expectation of benefit in return.

## PART ONE: GLOSSARY OF KEY TERMS

**Gift:** A voluntary transfer of cash and kind, from individuals, industry, foundations and other sources to Easter Seals Ontario for either unrestricted or restricted utilization in the operation of the organization for its charitable purposes. Gifts are made without expectation of return; no consideration - no benefit of any kind - to the donor or to anyone designated by the donor, may result from the payment.

Gifts may be monetary (cash, cheques) or non-monetary e.g. securities, real property, or personal property).

**Private Grants:** Revenues received by Easter Seals Ontario from individuals, industry, foundations, governments, and other sources, for the support of the organization's programs/projects. Such grants are like gifts – they represent donations, where they are bestowed voluntarily without expectation of any tangible benefit in return.

**Contracts/Research Agreements:** Restricted payments received by the Easter Seals Ontario from various contractors, made in accordance with the terms of contracts entered into by the organization to conduct specific programs. These are not considered gifts, and therefore not subject to this policy.

**Official Charitable Receipt:** The official charitable receipt is a statement issued by Easter Seals Ontario to donors that includes the business number issued to Easter Seals Ontario (1190 68377 RR0001) by Canada Customs and Revenue Agency, a declaration as to the value of the gift, date of the gift and name of the donor. Receipts are normally accepted by the Canada Customs and Revenue Agency to support the calculation of the allowable "non-refundable tax credits".

**Gift-in-Kind:** Donated tangible and intangible assets and property such as real estate, notes, mortgages, limited partnership interests, royalty or copyright interests, art, books, equipment, automobiles, inventory, personal property, securities, and other physical assets or materials, which represent value to Easter Seals Ontario.



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**Expendable gifts:** Gifts or grants given to Easter Seals Ontario, which the donor has directed are to be immediately used in support of various programs or projects.

**Retained gifts:** Gifts or bequests, given to Easter Seals Ontario, to be held permanently for the income derived, as part of Easter Seals Ontario endowment fund.

**Designated gifts:** Gifts, given to Easter Seals Ontario, where the donor has specified where in the organization the support is to be directed. Gifts may be "designated", for instance, to a particular camp.

**Undesignated gifts:** Gifts, given to the Easter Seals Ontario, where the donor has not specified where in the organization the support is to be directed.

**Unrestricted gifts:** Gifts, given to Easter Seals Ontario, where the donor has not specified the purpose for which the gift is to be used.

**Restricted gifts:** Gifts, given to Easter Seals Ontario, where the donor has specified that the gift is to be used to support a particular purpose.

*Note: For instance, a gift may be "**designated**" by a donor to Woodeden Camp and **restricted** as to purpose for program supplies. Or, a gift may be "**designated**" to Woodeden Camp, but **unrestricted as to use** at the camp.*

**Gift Pledges:** Gift contributions to Easter Seals Ontario, which are "pledged" over a period of time (normally to a maximum of 5 years, depending on the size of the gift and the nature of the appeal).

### Gift Eligible for Acceptance

Cash Donations  
Gifts in Kind  
Gift of Securities  
Planned Giving

- i. Bequests by Will
- ii. Gifts of Securities
- iii. Life Insurance
- iv. Real Estate
- v. Charitable Remainder Trust
- vi. Residual Interest

Charitable Gift Annuity  
Endowment and Trust  
Residual Interest



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### 1. Cash Donations

**Gifts** of cash may be in the form of cash, cheque, electronic funds transfer, credit card transaction or other cash transfer mediums accepted by Easter Seals Ontario.

- a. Employee Giving and Matching:
  - i. Donations made by donors through payroll deductions may be designated to Easter Seals Ontario.
  - ii. Easter Seals is also eligible to accept matching gifts through employers matching gifts programs.
- b. Monthly Giving:
  - i. Donors wishing to donate to Easter Seals Ontario can do so through credit card payments, payroll deduction and electronic funds transfer, as well as direct debit through your bank account. You can access the forms through the website [www.easterseals.org](http://www.easterseals.org), click on "Make a Donation" and then refer to the "Gift Acceptance Policy" tab. Once you have completed the application the form will be e-mailed to [donations@easterseals.org](mailto:donations@easterseals.org)
  - ii. Alternatively you can e-mail Donations at the above address and we will contact you and make the arrangements or mail in your request to,

Donations  
Easter Seals Ontario  
700-One Concorde Gate  
Toronto ON M3C 3N6

### 2. Gifts in Kind

- a. **Gifts in kind** are donations of property other than cash. They can include donations of land, buildings, marketable securities, equipment, furniture, vehicles promotional items and raffle and auction prizes. Gifts in kind does not include gifts of services.
- b. Gift in kind donations may have unique tax consequences. Therefore, the donor should consult with their personal tax advisors prior to donating to ensure that they have a solid understanding of these consequences.
- c. Gifts in kind may carry additional risks to Easter Seals Ontario and therefore prior to acceptance of the gift, the organization should consider all associated costs involved with the acceptance of a Gift in Kind. Examples of associated costs include but are not limited to: Appraisal costs, storage costs, potential legal ramifications and/or potential disposal costs.
- d. The acceptance of the gift by the organization is predicated on proper proof of value and the ability for the organization to use the gift. For example it maybe questionable for the organization to accept a rusty car on its last legs.
- e. In accordance with Canada Revenue Agency (CRA) the charitable receipt issued to the donor must equal the **fair market value** of the gift. If this value is not easily determinable, an **independent** appraiser must be solicited to determine the fair market value.



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**Definition - Fair Market Value (FMV)** The highest dollar value, expressed in terms of money, that the 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 each other.

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1. For new goods received, the organization must look at the following (whether or not a tax receipt is being issued):
  1. Identify that the items are a donation, which the receiving unit would like to accept.
  2. Obtain written documentation from the donor identifying the item(s) as a donation or gift to Easter Seals Ontario.
  3. If the donor is an individual, obtain either current retail price information from an independent source (ie. catalogue) or a copy of the receipt used to purchase the items by the donor in order to determine fair market value.
  4. If the donor is a company and the gift is from their own inventory, obtain an invoice from the company donating the goods indicating that the invoice is not to be paid; and, a copy of an inventory price list that shows the item(s) being donated and what they would normally be sold for. If this information cannot be obtained an appraisal may be required in order to determine fair market value.
  5. Completing the gift in kind form represents confirmation of receipt of the gift.
  6. Forward all documentation to the Director of Finance for approval and for processing, immediately upon receipt, to ensure this is done during the fiscal year in which the donation was received.
  
2. For used goods received, the organization must look at the following (whether or not a tax receipt is being issued):
  1. Identify that the items are a donation, which the receiving unit would like to accept.
  2. Obtain written documentation from the donor identifying the item(s) as a donation or gift to Easter Seals Ontario.
  3. Obtain the appropriate independent appraisal, from a qualified appraiser, for items being donated with an estimated value of \$1,000 or greater. If the gift is \$1,000 or less in value, an appraisal can be made by a qualified member of the organization.
  4. Completing the gift in kind form represents confirmation of receipt of the gift
  5. Forward all documentation to the Director of Finance for approval and for processing immediately upon receipt and ensure this is done during the fiscal year in which the donation was received.
  6. All costs of appraisals are the responsibility of the receiving department.



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### **3. Gifts of Securities**

The value of gifts of securities, received by Easter Seals Ontario, is determined as follows:

1. Donation of stock:
  - a. Electronic Transfer -The receipted amount will be calculated based upon the average of the high and low stock price on the date that transfer is confirmed by our custodian.
  - b. Physical Transfer - The receipted amount will be calculated based upon the average of the high and low stock price on the date the Easter Seals Ontario is in physical possession of the shares.
2. Donation of bonds and debentures: The receipted amount will be calculated based upon closing price on the date received as above or preceding recorded trade date that transfer is confirmed by our custodian.
3. Donation of mutual funds: The receipted amount will be calculated based upon the price on the date of transfer as determined by Easter Seals Ontario broker or the mutual fund agency.
4. Bequeath of securities: The receipted amount will be calculated based upon the day end price of the securities as of the date of death.
5. Year-End donations of Securities: The receipt date will be the post- mark date on the envelope containing the certificates. The receipted amount will be calculated based upon the average of the high and low stock price on the date the organization is in physical possession of the shares.

In each of the above situations, the securities will be immediately liquidated and the activity funded will be credited with the net proceeds from the sale, including any gain or loss.

Please contact the Planned Giving Office to obtain the appropriate form and any information on use of these forms at 416-421-8778 extension 361.

### **5. Planned Gifts**

- a. There are several ways to express support in Easter Seals Ontario initiatives including:
  - vii. Bequests by Will
  - viii. Gifts of Securities
  - ix. Life Insurance
  - x. Real Estate
  - xi. Charitable Remainder Trust
  - xii. Residual Interest
  - xiii. Charitable Gift Annuity



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- b. Acceptance of the above types of **planned gifts** shall have the approval of the Vice President of Fundraising.
- c. More information on the gift planning vehicles listed here is available by following this link : <http://www.easterseals.org/youcanhelp/plannedgiving/>