



## GMBC Donation Policy

**Approved by: Director of Operations**

**Approval Date: 1-31-2025**

### 1. Intent

This policy guides how gifts to GMBC are managed.

### 2. Application

This Policy applies to those who donate gifts to GMBC and the staff directly or indirectly managing donations.

### 3. Description

#### 3.1 General Guidelines

GMBC strongly encourages donors to provide undesignated and unrestricted donations or gifts, allowing us to allocate funds to areas with the most pressing needs. However, GMBC acknowledges the importance of donations that fall outside this category as outlined in these policies and will support these gifts when they are consistent with the mission and priority needs of GMBC, such as the Church's annual operating budget, which the members approve.

Once GMBC accepts a designated or restricted gift, it commits to using that gift or its designated portion in accordance with the donor's intentions. In the event that a specific need has been satisfied, an established program or project has concluded, or circumstances beyond the control of the Executive Team prevent its execution, the donor acknowledges GMBC's authority to reallocate these designated or restricted gifts to support other programs, as directed by the Executive Team.

Furthermore, all gift acceptances must adhere to and uphold any pertinent GMBC policies and codes, ensuring accountability in our actions. GMBC reserves the right to decline any gift.

GMBC will produce supporting documentation and reports for donations and gifts with multi-year commitments or designated for specific purposes.

Grant Memorial Baptist Church (118946318RR0001) and Linden Christian School Inc. (120707179RR0001) are registered charities. According to the Canada Revenue Agency, a registered charity is exempt from income tax. It can issue official receipts for individuals to claim tax credits, and corporations can claim deductions from income.

All registered charities must file annual returns (T3010) with the Canada Revenue Agency. The return reports on financial activities such as income, the dollar value of charitable receipts issued, and expenses incurred in carrying out the organization's charitable purpose(s).

Summary information from all Canadian registered charities can be viewed online at the Canada Revenue Agency website.

Any questions concerning these policies can be directed to the Finance Team at [accounting@grantmemorial.ca](mailto:accounting@grantmemorial.ca) or 204-989-4272.

### 3.2 Gift Types

The terms "gift" and "donation" are often used interchangeably. For this policy, "gift" and "donation" are understood to mean the same thing: a voluntary transfer of cash or in-kind goods from individuals, corporations, foundations, and other sources to GMBC for either undesignated or designated use. Gifts are made without the expectation of a tangible return.

There are three types of gifts outlined in this policy:

- 1) Undesignated or Unrestricted gift: A gift given to GMBC where the donor has not specified how the support will be directed. GMBC will determine the most appropriate use of the gift.
- 2) Designated or Restricted gift: A gift is given to GMBC where the donor has specified how the support will be directed. (See section 3.4 for more details).
- 3) Deferred gift: A commitment to make a gift today for delivery to GMBC in the future. These include bequests, life insurance, retirement plans such as RRSPs and RRIFs, charitable gift annuities, charitable remainder trusts, and other gift vehicles that may be categorized as deferred gifts in the future. (See section 3.7 for more details).

### 3.3 Gift Formats Accepted

GMBC will accept donations through the following giving formats, subject to the terms outlined below:

- 1) Cash or equivalent: These gifts include those received through cheques, debit, and credit cards. Pledges or cash or equivalents will also be accepted.
- 2) In-Kind: These gifts include tangible personal property, real property, and goods or services. (See section 3.5 for more details).
- 3) Securities: – Gifts of securities include donations of publicly traded and thinly traded securities. (See section 3.6 for more details).

### 3.4 Designated or Restricted Gifts

Designated gifts can be accepted only for established programs or projects that have an associated Central Fund for the gift to be held in. The specific use of that gift within the fund must fall within the purposes of GMBC that the Executive Team has approved. Each gift directed toward an approved program or project will be used as designated. When the specified gift remains ambiguous, the Finance team will contact the donor to clarify which fund they intended their gift to be directed to.

There may be an occasion where the intended purpose of the fund has been fulfilled, the established program or project has concluded, or its use cannot be carried out for reasons beyond the ability of the Executive Team to control. Under this policy, the donor agrees that GMBC may redeploy their gift, with the Executive Team having the authority to determine the reallocation of these funds to carry out its other programs.

GMBC will produce supporting documentation for gifts with multi-year commitments or designated for specific purposes

### 3.5 In-Kind Gifts

GMBC reserves the right to decline any in-kind gift. The decision to accept or decline a gift resides with the Executive Team. The gift must meet the established needs of GMBC rather than establishing a need based on the gift.

The proven value of the donated item is required for GMBC to issue a tax receipt. Receipted in-kind gifts will be accompanied by supporting documentation, such as the current market pricing, to establish the value.

Registered charities cannot issue official charitable income tax receipts for gifts of services. However, a gift of services may be eligible for a tax receipt through a cheque exchange. Receipting for cheque exchanges will be determined on a case-by-case basis by the Executive Team.

### 3.6 Security Gifts

#### 3.6.1 General Guidelines:

GMBC can receive gifts of securities listed on any prescribed stock exchange or market, including Canadian stock exchanges, the NYSE, AMEX, and NASDAQ. In keeping with the guidelines set out by the Canada Revenue Agency and this policy, GMBC can also receive gifts of mutual funds/units, pooled fund units, and segregated fund units.

In addition, GMBC can accept donations of thinly traded securities. However, it is recognized that these can be difficult to liquidate at the value or close to the value of the shares when the gift was made. These will be accepted on a case-by-case basis. Donors must discuss their proposed donation of thinly traded securities with GMBC before initiating a transfer of such securities.

GMBC reserves the right to decline any gift (as outlined in Section 3.1), including, but not limited to, a gift of thinly traded securities if GMBC is not notified before the transfer.

All gifts will be liquidated immediately.

As part of our continued pledge to remain accountable to our donors, GMBC encourages donors to discuss the proposed gift with independent legal, financial, or tax advisors and family members.

Donors are encouraged to contact GMBC to discuss their proposed donation before transferring their securities. Donors must complete a donation transfer form to complete their gift.

#### 3.6.2 Electronic Transfer of Gifts

To value the income tax receipt for securities transferred electronically, the value of the gift will be based on the closing market value on the day the gift is received in GMBC's brokerage account.

3.6.3 Transfer of Gifts via Share Certificate

If the gift of securities is delivered via share certificate, the value of the gift to establish the amount for the income tax receipt will be based on the closing market value on the day GMBC or its broker takes possession of both the share certificate and the transfer documents/Power of Attorney.

3.6.4 Valuation of Securities for Recognition Purposes

Recognition will be based on the tax-receipted amount of the donation.

3.7 Deferred Gifts

GMBC accepts donations in the form of deferred gifts such as bequests, life insurance, retirement plans such as RRIFs or RRSPs, charitable gift annuities, charitable remainder trusts, and other gift vehicles that may be categorized as a gift in the future.

Tax receipts for deferred gifts will be issued according to Canadian Income Tax Act regulations, Canada Revenue Agency guidelines, requirements for the specific gift format involved, and all applicable GMBC policies.

GMBC strongly recommends all donors seek advice from professional advisors and discuss the matter with their family when considering a bequest or other deferred gift to GMBC.

3.8 Donor Recognition and Receipting

All eligible donations amounting to \$10 or more shall be duly recognized through the dispatch of a formal letter and the issuance of an official income tax receipt, which shall be provided on an annual basis (typically in February), encompassing the total sum contributed by an individual or entity throughout the preceding calendar year, unless a written request specifying an alternative arrangement is submitted.

3.9 Returning Gifts

Normally, once a gift has been given, it cannot be returned. However, under very specific circumstances, it may become imperative for GMBC to consider the return of a previously accepted gift. The Executive Team will ultimately decide to return the gift in consultation with legal and financial counsel.

If a decision is reached to return a gift, GMBC will adhere to the stipulations set forth by the Canada Revenue Agency. Alongside the return of the same or substantially identical property, GMBC will furnish the donor with comprehensive information pertaining to the revoked or revised charitable tax receipt. A duplicate of this cancelled or modified tax receipt shall be duly submitted to the Canada Revenue Agency.

Such instances could include, but are not limited to:

- a) Where continued association with the donor would result in harm to the Church's reputation
- b) Where a donation is determined to have been the proceeds of a crime

Under such conditions, the terms of the donation agreement can no longer be honoured, and a new agreement cannot be negotiated with the donor or their heirs or assigns.