

12 DONATION POLICY (APPROVED NOV. 2017)

12.1 INTRODUCTION – DONATION POLICY

- West Vancouver Memorial Library Foundation receives gifts/donations/bequests and endowments through various avenues, for example: donor cards, fundraising, bequests, gifts etc. It is common for donations to have conditions and/or restrictions associated with the donation.
- Directors of the WVML Foundation have the responsibility to ensure that funds are directed to the West Vancouver Memorial Library consistent with the conditions/restrictions of donors.
- The WVML Foundation preference is for unrestricted donations thereby giving maximum flexibility to support emerging needs of the West Vancouver Memorial Library. This policy outlines the basis for accepting donations with conditions and/or restrictions.
- It is the intention of the Directors of the Foundation to honor the terms and conditions/restrictions of donations, however this may not always be possible or practical, especially for small donations that fall outside common restricted purpose fund categories. Situations, although rare, may arise where donations cannot be accepted when the Foundation Directors believe they are unable to sufficiently comply with the specified conditions/restrictions.

12.2 LEGAL FRAMEWORK

- The Foundation is the key fundraiser on behalf of the Library. The primary purpose¹ of the Foundation is to receive, invest and administer gifts, bequests, endowments, trust funds and other property for the purpose of facilitating and funding enhanced activities, programs and services suitable for a public library in the Municipality of West Vancouver.
- The Foundation is responsible for donations since the Foundation's inception in 1986. Prior to the establishment of the Foundation, the District of West Vancouver was responsible for the receipt of donations. The Library remains responsible for the management and recognition of these donations.

¹ WVML Foundation Constitution, Item 2

12.3 DONATION RESTRICTIONS

1) Small Donations, less than \$1,000:

- The WVML Foundation is grateful for all donations, however, logistically the Foundation is not able to guarantee that restrictions/conditions for donations under \$1000.00 can be fully complied with if they fall outside existing fund categories.
- The Foundations is not obligated to honor conditions/restrictions for donations below \$1,000, however where the condition/restriction is aligned to an existing restricted purpose fund category e.g. Books Large Print, the Foundation will apply the donation to the existing fund.

2) Medium Donations, \$1,000 - \$50,000:

- Where a donation's conditions/restrictions are aligned to an existing restricted fund category it will be added to the existing fund.
- When a suitable restricted purpose fund category does not exist to reflect the condition/restriction associated with a donation the Foundation Directors will consider creation of new restricted purpose fund category.

It is intended that creation of a new restricted purpose fund category will only occur when further usage of the new restricted purpose fund category is envisaged and the initial donation itself is significant enough to justify creation of a new restricted purpose fund category.

- Where the Foundation Directors have decided against creation of a new restricted purpose fund category it will be placed in a general restricted fund. A reconciliation of the general restricted fund will be maintained by the Foundation's bookkeeper.

3) Large Donations, greater than \$50,000:

- For large donations, it is strongly recommended to have clear documentation to support any conditions/restrictions attached to the donation. It is desirable to have dialogue about the conditions/restrictions related to donation before receipt.
- Where a large donation's conditions/restrictions are aligned to an existing restricted purpose fund category it will be added to the existing fund.
- When a suitable restricted purpose fund category does not exist to reflect the conditions/restrictions associated with a large donation the Foundation Directors will consider creation of separate fund for tracking and traceability of the donation and its utilization.

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- Large donations should not be added to the general restricted fund.
- Unrestricted large donations can be added to the general unrestricted fund.

12.4 ACCEPTING DONATIONS

- Pursuant to the terms of the Society Act and Canada Revenue Agency (CRA) regulations, the Foundation may accept monetary and non-monetary gifts, including but not limited to cash, stocks, bonds and real estate.
- Non-monetary gifts may require fair market valuation (FMV), notably if a tax receipt is required by the donor. If a valuation is required, the Foundation will solicit, at its expense, the written opinion of a qualified evaluator.
- The Foundation has the right and responsibility to refuse any donations or gift; a decision to refuse may be made in consultation with the Director, Library Services.

12.5 MONETARY DONATIONS, BEQUESTS, MEMORIALS AND HONOURARY DONATIONS

- If monetary gifts under \$1000 are directed to the Library, the Director of Library Services is authorized to expend such gifts, not to exceed an aggregate of \$5000 per annum, per Library Board policy.
- If donated funds, or other gifts over \$1000, are directed to the Library, the Library will consult with the Foundation Board to determine the best way to accept the gift. Where possible, the Library will direct the deposit, or transfer of donated funds to the Foundation, subject to and in accordance with any agreed upon terms and conditions under which the funds were provided by the donor.
- When a donation (including a bequest) is made without specifications, the Directors determine how to allocate those funds provided the Canada Revenue Agency requirements are met. The Directors may choose to consult with the Library Board about the allocation of these funds.

12.6 COMMUNICATIONS

- The Director of Library Services and library team commonly have direct interaction with donors hence it is essential that the Director be kept apprised on incoming donations and especially significant donations. The following two reporting processes are to ensure regular communication with the Library on donations received.
- 1) Significant Donations: In the event that a donation of \$5,000 or higher be received by WVML Foundation the Foundation Administrator is to as soon as practicably possible communicate to the Director of Library Services:
 - a. Date of receipt of donation;
 - b. Value of donation;
 - c. Name(s) of the donor(s), unless anonymous.

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- 2) Monthly Communications: The Foundation Administrator is to generate a monthly report from Raisers Edge detailing donations by donor and send this to the Director of Library Services.
- Additionally, if any Foundation Director is aware of a potential significant future donation this should be advised to the Director in a timely manner.

12.7 DONATIONS IN KIND

- The Foundation may wish to receive gifts-in-kind or sell event tickets to support fundraising activities. Donations in kind will be accepted only in accordance with this policy. The policy distinguishes between solicited and unsolicited donations in kind. A “solicited donation” means that such a donation has been received due to direct solicitation by a Foundation Director. An “in kind” gift or donation is one in which the donor gives time, expertise or services rather than property (e.g. cash, materials).

12.7.1 SOLICITED DONATIONS IN KIND

For some fundraising activities, the Foundation Board of Directors will approve active solicitation of donations in kind by Directors.

- When soliciting such donations, Directors will ensure the offered donation in kind will be utilized during the fundraising event as either an actual item of consumption or as a prize. If the offered donation cannot reasonably be utilized as part of the fundraising event then the acceptance of such a donation should be referred to the Board of Directors of the Foundation for approval prior to accepting such donation in kind.
- If the donor requests a charitable donation receipt and the Board agrees to provide a donation receipt, the Board will determine an appropriate value for the donation in kind. Refer to section 12.6
- If the donor does not require a charitable donation receipt, the Board will confirm that in writing with the donor.

12.7.2 UNSOLICITED DONATIONS IN KIND

- All unsolicited donations in kind will be accepted by the Foundation only upon the approval of the Board. Consultation with the Director, Library Services and the Library Board may be appropriate when making this decision. Acceptance of unsolicited donations will depend upon whether the Foundation or the Library has a use for the donation of time, expertise or services and is able or willing to provide recognition if requested by the donor. Receipts may be issued upon compliance with the policies of the Foundation, outlined in Section 12.9.

12.8 DONATED SHARES

- The Foundation will accept donated shares of publicly traded companies and units of mutual funds if the market value of the securities exceeds \$500.00.

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12.9 ISSUANCE OF TAX RECEIPTS

The Foundation is responsible for issuing tax receipts for donations in accordance with CRA guidelines, specifically:

1. The Foundation will advise potential donors of any circumstances in which a receipt will not be issued.
2. The Foundation is responsible for ensuring that the tax receipt reflects fair market value (FMV) of the gift less any advantages the donor received in making the gift.
3. The Foundation must ensure that the fair market value (FMV) of the gift, less the value of the advantage to the donor, meets the intention to make a gift threshold of 80% of the fair market value before a tax receipt can be issued. When the FMV of an advantage received for a gift is more than 80% of the FMV of the gift itself, CRA generally considers that there is no true intention to make a gift. Therefore, the Foundation cannot issue a receipt.
4. Gifts of property are eligible for donation receipts. Gifts of services and promises of services are not gifts of property and are not eligible for a donation receipt.
5. Gift certificates donated by the issuer of the certificate are not considered property and are not typically eligible for donation receipts. However, a gift certificate purchased then donated, does constitute property and may be receipted.
6. Pledges do not constitute a transfer of property until they are fulfilled and, as such, are not eligible for a donation receipt.
7. Transactions that do not qualify as gifts include:
 - a. A court order transfer of property;
 - b. The payment of a basic fee for admission to an event or program;
 - c. The payment of membership fees that convey the right to attend events, receive literature, receive services, or be eligible for entitlements of any material value that exceed 80% of the value of the payment;
 - d. A payment for a lottery ticket or other chance to win a prize;
 - e. The purchase of goods or services from a charity;
 - f. A donation for which the fair market value of the advantage or consideration provided to the donor exceeds 80% of the value of the donation;
 - g. A gift in kind for which the fair market value cannot be determined;
 - h. Donations provided in exchange for advertising/sponsorship;
 - i. Gifts of service;
 - j. Gift certificates donated by the issuer;
 - k. Pledges;
 - l. Loans of property;
 - m. Use of a timeshare; and
 - n. The lease of premises.

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DONATION POLICY APPENDIX - List of Fund Categories:

(Correct at time of approval but subject to change.)

CAPITAL RESTRICTED ENDOWMENT FUND	
Capital preserved fund where the capital cannot be deployed. The income/investment returns from the fund are available on an unrestricted basis. Income/investment returns are applied to the <i>General Unrestricted /Operating Fund</i>	
Fund Category Name	Conditions / Restrictions (If applicable)
Cronk Endowment Fund	Capital preserved, revenue unrestricted.

RESTRICTED BEQUEST/DONATION FUND	
Capital can be deployed in line with the terms and conditions of the bequest/donation. Income/investment returns are applied in line with the terms and conditions of the bequest/donation. Where application of Income/investment returns are unspecified they are applied to the <i>General Unrestricted /Operating Fund</i> .	
Fund Category Name	Conditions / Restrictions (If applicable)
Robert L Welsh Estate Fund (Music)	Music, unutilized revenue in the year added to the fund.
Pieters-Hortsman Fund	To be applied equally amongst its programs for "Talking Books", "Large Print Books" and Home-Bound Individuals".
Watt Estate Fund	Eyesight impaired

GENERAL RESTRICTED FUND	
Fund for medium (\$1,000-\$50,000) restricted donations where a restricted purpose fund does not exist. Capital can be deployed in line with the terms and conditions of the donation. Income/investment returns are applied to <i>General Unrestricted /Operating Fund</i>	
Fund Category Name	Conditions / Restrictions (If applicable)
General Restricted Fund	Various restricted detailed in reconciliation.

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RESTRICTED PURPOSE FUNDS	
<p>Common restricted purpose funds for small and medium (0-\$50,000) restricted donations. Capital can be deployed in line with the terms and conditions of the donation. Income/investment returns are applied to <i>General Unrestricted /Operating Fund</i></p>	
Fund Category Name	Conditions / Restrictions (If applicable)
Persian Language	Books, materials, programs and services in Persian language.
Chinese Languages	Books, materials, programs and services in Chinese languages.
French Language	Books, materials, programs and services in French language.
English Language	Books, materials, programs and services in English language.
Books Audio	Audio / talking books
Books Children	Books for children
Books Digital	E Books / Digital Books
Books General	Books only
Books Health	Books on Health
Books Large Print	Large print books for visually impaired.
Programs for Seniors	Programs for Seniors
Programs for Youth	Programs for Youth
Programs for Children	Programs for Children
Programs Technology	Programs Technology
Facilities & Infrastructure	Enhancements to library facilities and infrastructure.
Collections	To enhance existing or add collections.
Home Services	To provide services for home bond/mobility restricted.
Technology	To provide technology related materials, programs and services.

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UNRESTRICTED FUNDS	
Capital unrestricted and available for deployment. Unutilized income/investment returns in the year are aggregated to the <i>Fund</i>	
Fund Category Name	Conditions / Restrictions (If applicable)
Anna CE Patrick Fund (Unrestricted)	Unrestricted
Crute Estate Fund (Unrestricted)	Unrestricted.
Case Estate Fund (Unrestricted)	Unrestricted.

GENERAL UNRESTRICTED OPERATING FUND	
Capital unrestricted and available for deployment. Income/investment returns are applied to <i>General Unrestricted /Operating Fund</i>	
Fund Category Name	Conditions / Restrictions (If applicable)
Unrestricted Operating Fund	Unrestricted