



GIFT ACCEPTANCE POLICY

A gift acceptance policy is important to ensure donations are used to further the vision of COHA and includes appropriate consideration of donor objectives. It provides clarification, along with fund agreements, of roles and responsibilities of both COHA and its donors. A gift acceptance policy provides guidance for COHA Board of Directors decision-making. It also ensure that gifts to COHA are made in accordance with legal and ethical regulations and guidelines while promoting consistent practices in exercising fiscal responsibilities.

This policy will help to enhance long-term relationships with donors, and encourage donors and COHA representatives to work together to provide the most effective benefits to our work congruent with donors' broad philanthropic wishes. COHA shall abide by all applicable laws governing the charitable sector. To demonstrate its commitment to donors, reference should be made to the Donor Bill of Rights as approved by the Board.

Policy Statement

Gifts must be consistent with the overall mission and strategic intent of COHA, all applicable statutory provisions and must not compromise COHA's integrity. COHA may, in its discretion refuse a gift on these grounds.

COHA encourages donors to work with professional advisors in making gifts. It shall not solicit or accept a gift from a donor unless it is satisfied that the donor has a bona fide charitable intention and has an accurate understanding of the consequences of the donation, the work of COHA and the uses to which the gift will be put. Persons acting on behalf of COHA shall encourage potential donors to consult independent legal and tax professionals to ensure that donors receive a full and accurate explanation of the nature and consequences of their gifts. Persons acting on behalf of COHA shall inform, serve, guide or otherwise assist donors who wish to support COHA's work, but never under any circumstances are they to pressure or unduly persuade.

The Executive Director is authorized to negotiate gift agreements with prospective donors and their professional advisors in accordance with the guidelines set forth in this policy. Volunteers, friends and staff members are authorized to encourage donors to make gifts to COHA within the parameters of the Gift Acceptance Policy.

Outright gifts of cash, publicly traded securities and life insurance do not require approval by the Board of Directors, unless there are unusual restrictions or circumstances involved.

COHA routinely accepts only property that is readily marketable at reasonable cost. This refers to cash equivalents (including deposit instructions of a government or financial institution in Canada, publicly traded securities, policies of life insurance, bequests or any other property that COHA has identified within its investment policy.

Acceptance of others Forms of Property

COHA recognizes that donors will occasionally wish to give property that is not readily marketable, such as real estate, jewelry, art, private corporation shares or residuary interests in trusts. While COHA is generally pleased and honoured to accept gifts, it must evaluate whether there may be 'hidden costs' in accepting such property. The Board of Directors will be consulted on all gifts of property prior to responding to the donor.

Related Costs

Gift-related costs such as legal fees, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property will normally be the responsibility of the donor unless a prior agreement has been made to assume responsibility for any portions of these items.

Gifts Requiring Board Approval

Gifts of real or tangible property and gifts of residual interest must be reviewed and approved by the Board of Directors. Before acceptance and approval, relevant information about the gift shall be ascertained, including a copy of any appraisal secured by the donor. COHA reserves the right to obtain its own appraisal for gifts of real or tangible property or other property whose value is not readily ascertainable.

Gifts Not Accepted

COHA cannot hold charitable annuities or any other gift creating a liability and reserve the right to decline a gift based on:

- Lack of compatibility with COHA's mission
- Desire of the donor to exert unacceptable conditions or controls over disbursement of the net income from the gift
- Cost of ownership implications related to administration, management and marketability of the gift.
- Unacceptable risks to COHA
- Gifts that are illegal or have been acquired by the donor through illegal means
- Other factors as agreed upon by the Board of Directors

Disposition of the Gift

COHA does not make any representation that by accepting a gift it will retain the property or employ the donated property for the same purposes as the donor used it.

Fund Agreements

COHA prefers to work with donors to develop agreements with respect to name, nature and use of their gifts at the time the gift is made. Fund agreements will clearly identify that it is the

responsibility of the Board of Directors to approve all disbursements of net income from endowment funds. These agreements will be developed where the donor is giving specific recommendations to COHA as to the distribution of the earnings generated by their gift. All fund agreements requiring execution by COHA shall first be reviewed and approved as to form and content by COHA's legal counsel. Where substantially the same agreement is used repeatedly, only the template needs to be approved. All other funds agreements must be reviewed and approved by the Board of Directors

Charitable Tax Receipt

COHA shall issue a charitable tax receipt in a timely manner after receipt of the gift. For gifts of shares, a tax receipt will be issued for the closing price on the day that COHA's broker receives the shares, assuming liquidity.

Benefit to Donor

The legal nature of the gift is such that a donor cannot expect or receive financial benefits or opportunities to flow from the gift.

Donor – Advised Funds: The income tax act (Canada) imposes limits on a donor's capacity to impose restrictions on charitable gifts. A donor may, however, at the time the gift is made, and even subsequently by agreement, place limits on the uses to which a gift may be used. Further, the donor or the donor's designated representative may advise the Board of Directors on the application of the earnings of his/her gift and the Board shall generally consider and respect such advice. Beyond that, the donor cannot legally restrict COHA.

Glossary of Terminology

Cash refers to gifts of cash and cash equivalents

Publicly Traded Securities Gifts of marketable publicly traded securities shall be scrutinized and accepted by COHA legal counsel and investment advisor. These securities shall be sold immediately upon receipt and converted to cash.

Gifts of Property including Real Estate, Art, Jewelry, etc. Gifts of property or real estate may be made in various ways: an outright gift of residual interest in it. Donors shall provide qualified appraisals of proposed gifted property. COHA will obtain its own independent appraisal. COHA may, at its discretion, obtain a third independent appraisal, and, in such cases, issue a receipt based on COHA's own appraisal. COHA shall satisfy itself that the donor has clear title of the property. COHA shall review all pertinent factors, including in the case of real estate, zoning restrictions, marketability, prior land use, current use and cash flow to ascertain that acceptance of the gift would be in the best interest of COHA. If the real estate offered possibly contains toxic wastes, the donor shall secure an environmental audit and provide the results to COHA's Board of Directors. No property containing toxic wastes shall be accepted prior to the removal and/or indemnification of COHA against all present and future liabilities.

Bequests a donor who advises COHA, in confidence, of a proposed testamentary gift shall be asked to provide, if possible, a copy of that section of the Will naming COHA. The donor may also wish to execute an agreement with COHA directing the charitable use of the proposed gift. COHA will not serve as executor of any donor's will.

Gifts of Life Insurance There are various methods by which a life insurance policy may be contributed to COHA. A donor may:

- Commence a life insurance policy of which COHA is the owner and beneficiary
- Assign irrevocably a paid up policy to COHA
- Assign irrevocably a life insurance policy on which premiums remain to be paid and a charitable tax receipt shall be issued for the premium amounts
- Name COHA as the primary or successor beneficiary of the proceeds

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

Gift of Residual Interest This type of gift refers to an arrangement under which a property interest is conveyed to COHA, but the donor retains use of the property, or income from the property for life or a specified number of years. The owner is entitled to a charitable tax receipt for the present value of the residual interest. With these types of gifts, the donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property unless COHA, upon prior approval of the Board of Directors, agrees to assume responsibility for any of these items. COHA is entitled to require that the donor provide proof of payments of those expenses for which the donor is responsible. COHA reserves the right to inspect the property from time to time to ensure that its interest is properly safeguarded