



Spencer Home Foundation Inc.

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Approved By:	

PURPOSE: This document establishes the practices that will be followed in fundraising.

NOTE: For the purpose of this document, The Board of Directors of the Spencer Home Foundation will be known as 'The Board'.

POLICY: The Kenneth E. Spencer Memorial Home was established on Christian beliefs and practices that will be followed by the Foundation. To that end, the following will apply to any fundraising activities:

1. The Board will focus on fundraising resources & methods other than gambling or lotteries.
2. The Board will establish the amount of donations to be allocated to the cost of administration on an annual basis as fundraising is the only source of income.
3. All marketing material will include the statement: "If donations exceed the amount needed for the designated project, surplus funds received will be applied where needed."
4. Fundraisers will be encouraged to be creative in their approach to fundraising within the guidelines of the Canada Revenue Agency (Charities Directorate).
5. Fundraising projects are to be approved by The Board in cooperation with the Executive Director of The Spencer Home.
6. Commission based fundraising will not be used.
7. Should an outside agency be hired, the compensation will be negotiated on a per project basis and will be approved by The Board before implementation.
8. Designated funds will be accepted for approved projects only.
 - i) When considering donor advised designated funds, The Board shall advise the donor(s) that the specific donation(s) must be sufficient to complete the project. The project will not be undertaken until all funding is received.
 - ii) A written agreement meeting CRA (Charities Directorate) standards (Use Form p#) must be signed by a designated representative of The Board and the donor(s) outlining the details of the gift, describing any donor directions or other conditions of the gift.
9. Gifts in kind will be considered on an individual basis.
 - i) A professional evaluator approved by The Board will be used when the value of the combined gift exceeds \$1,000 as recommended by CRA (Charities Directive).

Gifts-in- Kind:

As valuations of gift- in- kind donations can be abused, CRA has outlined certain guidelines regarding how charities may accept these gifts. The length of time the article has been owned by the donor before making it a gift to a charity is a factor in the evaluation.

This is explained by the following illustration:

An art dealer 'sells' a work of art to a prospective donor, shortly afterward the art work is 'reappraised' at a substantially inflated price and then donated to the charity with the new appraisal attached. (They have been hiding under the \$1,000



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rule for appraisal for quite some time). This type of donation would not be accepted as credible by CRA and the donation should not be accepted by the charity. Due diligence is always important in the acceptance of all gifts. There must be a 'paper trail' whereby the donor has made a valid purchase and that price will be considered as the donation value. A rule of thumb for new valuation: When the donor has owned the article being donated for at least 10 years new and fair appraisal could be accepted and receipted by the charity.

If a gift- in- kind is contemplated with the idea of the charity selling it on the open market; it is recommended that there be no receipt be issued until the gift is sold by the charity. The charity then issues a charitable receipt for the sale price. To illustrate this consider that a donor donates an antique to a charity, the charity has no use for this but considers the gift as worthwhile to be sold ASAP. The selling price should be the amount of the charitable gift. Gifts- in- kind such as securities fall under a different category when donated. In this case there is extra financial benefit to direct donation of the listed security.

- ii) A charitable receipt will not be given when there is a personal advantage. There is a personal advantage when an individual donates something and receives a 'personal benefit'.

To illustrate this consider a grandparent donating to a scholarship fund and the grandchild is designated as the recipient of the scholarship or where a parent donates to a summer camp and requests his/her child be given a free week at camp."

- 10. There is no obligation to accept any donation. There could be many reasons to defer or reject a donation. It is prudent to consult with the donor(s) so that a positive solution may be achieved.
- 11. Donors are to be advised to retain professional advice when planning specific donation through their will or their estate. Legacies should be encouraged.
 - i) Legacies may include:
 - i. Undesignated (general use)
 - ii. Designated
 - iii. Endowments
 - 1. If this is contemplated, sufficient financial resources are needed so as to provide reasonable income from endowed funds. A clause may be added to give the Foundation permission to draw down on capital if needed.
 - ii) If a legacy is received, a copy of the will outlining the directions of the specific gift is required. The directions of the will shall be documented and followed by The Board. As per paragraph #10, gifts do not need to be accepted if designation is inappropriate to the mission of the Foundation.