

Canoe Kayak Canada

Donation Acceptance and Receiving Policy

SECTION 1 – PREAMBLE

1. Philanthropic support is an important element in ensuring that Canoe Kayak Canada has as its exclusive purpose and function, the promotion of amateur paddling in Canada
 - 1.1. Canoe Kayak Canada welcomes gifts, which enable it to advance its mission and to enhance its programs and services to its community
 - 1.2. This Gift Acceptance Policy and the documents it refers to have been established to create a framework for the solicitation, review, acceptance, administration and stewardship of philanthropic gifts to Canoe Kayak Canada
 - 1.3. This Policy and associated documentation have been established to ensure:
 - 1.3.1. Canoe Kayak Canada's principles, policies and procedures are reflected throughout the gift acceptance process;
 - 1.3.2. Informed decisions are made concerning the acceptance of gifts;
 - 1.3.3. Gifts are handled in compliance with applicable federal and provincial legislation;
 - 1.3.4. Efficient administrative, legal and accounting practices are followed;
 - 1.3.5. Consistent and ethical relations with all donors and other supporters of Canoe Kayak Canada are maintained.

SECTION 2 – SCOPE OF POLICY

2. This Policy governs gift acceptance with respect to gifts from donors such as individuals, associations, foundations, and corporations, made in support of existing or new initiatives at Canoe Kayak Canada, whether the gifts are made during the donor's lifetime or under their Will.
 - 2.1. This Policy governs all fundraising activities and gift acceptance conducted by the Canoe Kayak Canada, including every unit of Canoe Kayak Canada, or by any person authorized by Canoe Kayak Canada;
 - 2.2. This Policy governs Canoe Kayak Canada employees, volunteers and leaders on matters of gift acceptance and provides them with an efficient review framework;
 - 2.3. This Policy and its published guidelines provide public information about Canoe Kayak Canada's gift acceptance policies and procedures, in order to inform the public about Canoe Kayak Canada's procedures, and to stimulate interest and support among Canoe Kayak Canada's current and potential donors;
 - 2.4. Financial support to Canoe Kayak Canada that attracts an advantage for the person offering such financial support, or for a person designated by the person offering such financial support, is not considered a gift. Canoe Kayak Canada may be involved in the acceptance of these (non-philanthropic) forms of financial support from time to time (e.g. event sponsorships), but official donation receipts will not be issued for such support.

SECTION 3 – THE POLICY

3. Canoe Kayak Canada

- 3.1. Canoe Kayak Canada is a registered Canadian amateur athletic association (RCAAA) and welcomes donations that will enhance its mission to drive excellence in Canadian paddling;

3.2. Donations may be unrestricted to support annual operations, or a direction may be given that the donation be used to support CKC's identified funding pillars. Donations of any size are welcome and, if eligible, an official donation receipt will be issued.

4. Donation Acceptance Principles

4.1. When soliciting and accepting donations to CKC, the following principles are considered:

- 4.1.1. The CKC Board and staff recognize the utmost importance of ensuring that all donations to CKC are made pursuant to Canada Revenue Agency charitable giving regulations;
- 4.1.2. The donation advances the strategic objectives of CKC and supports its core values as determined by a donation review committee
- 4.1.3. The donation demonstrates a clear, charitable intent in accordance with CRA regulations;
- 4.1.4. Recognition of a donation will be consistent with other donations of a comparable value, and subject to CKC's donation recognition policy;
- 4.1.5. While a donor may direct that the donation be designated to a particular CKC initiative, the ultimate use of the donated funds must remain within the discretion of CKC;
- 4.1.6. Donation receipts will be issued for the maximum allowable amount, as per the Income Tax Act and CRA guidelines. The receipted amount will be the difference between the amount of the donation and the value of any benefits received by the donor. Such benefits shall be valued using commercially acceptable valuation principles;
- 4.1.7. Payment commitments made by virtue of a sponsorship agreement with CKC are not eligible to receive a tax receipt (such as if the payment commitment is in exchange for marketing or publicity benefits);
- 4.1.8. Tax receipts will be issued for donations of \$20 or greater, unless specifically requested by the donor;
- 4.1.9. If any consideration has been received by the donor as a result of his/her donation, i.e. dinner, team t-shirt, etc., the value of the consideration will be deducted from the amount donated in determining the amount to be receipted unless it is of insignificant value (does not exceed the lesser of 10% of the value of the donation and \$75). Income Tax Folio S7-F1-C1, Split-receipting and Deemed Fair Market Value issued by the Canadian Revenue Agency provides detailed guidance on such fundraising activities as dinners, charity auctions, lotteries, concerts and golf tournaments.

5. Donation Types

5.1. All donations to CKC must fall into one of three broad groups:

- 5.1.1. Unrestricted donations for Annual Operations – Revenue from these donations will be applied to the annual operations of CKC, at the discretion of the CEO (or designate) based on the annual CKC budget as approved by the Board of Directors. The donation came to the organization with no direction from the donor as to the manner in which the donation is to be applied by CKC. As a result, CKC is at liberty to use such donations as it considers appropriate, and to support its highest priorities. These donations will be transacted by, and receipted by, CKC;
- 5.1.2. Restricted Donations for Annual Operations – These donations come with directions as to how the donor would like the donation to be used. Prior to accepting such donations, CKC and the donor will enter into a donation agreement, which clearly stipulates how the donor would like the donation to be applied to one, or more, of

CKC's annual operational activities. Should CKC be unable to apply the donation as directed in the donation agreement, the CEO (or designate) will consult with the donor (or designate) before applying the donation to another use. The CKC Board of Directors may at its sole discretion, and at any time, choose to limit or outright refuse such donations if they are determined to be inconsistent with the policies and procedures outlined in this document. These donations will be received by CKC;

5.1.3. Restricted donations for Special Projects or Endowments – These donations carry restrictions on their use in that the donation is intended for one of two purposes:

- To be applied for one, or more, of CKC's special projects (e.g., capital projects)
- To be held in perpetuity or a defined number of years, as an endowment, the income of which is to be applied to one, or more, of CKC's annual operational activities

5.2. Should CKC be unable to apply any donations as stated in the donation agreement, the CEO (or designate) will consult with the donor (or designate) before applying the donation to another use. The CKC Board of Directors may at its sole discretion, and at any time, choose to limit or outright refuse such donations if they are determined to be inconsistent with the policies and procedures outlined in this document;

5.3. Restricted Donations for Special Projects or Endowments will be transacted by, received by, and invested by the Canadian Olympic Foundation on behalf of, and in trust for, CKC. Terms of the transactions, disbursements, and investments will be governed by a separate agreement between CKC and the COF:

5.4. Donor directions must be sufficiently general so that CKC's use of the donated funds is not fettered and its ability to make decisions as to the use of the funds within a program or project is not restricted to such an extent that it has no discretion as to how the funds will be used within that program or project. ;

5.5. All gifts will be accepted only if they fit within the framework of this policy, the Income Tax Act, and Canada Revenue Agency (CRA) policies and guidelines;

5.6. CKC has the option to convert all non-cash donations to cash;

5.7. Donors may request that their donations remain anonymous. Nevertheless, such will be recorded confidentially in the CKC and/or COF donor database(s).

6. Unacceptable Donations

6.1. CKC may decline any donation that, in its judgement, is not consistent with the organization's mission. Donations will not be accepted that:

6.1.1. Contravene any federal, provincial or municipal law, specifically including, but not limited to, the Income Tax Act;

6.1.2. Compromise CKC's integrity or attempts to interfere with the strategic direction of the organization;

6.1.3. Require any action on the part of CKC which is unacceptable to the organization, or violates CKC policies and regulations;

6.1.4. Direct or may cause a benefit to be conferred on the donor or a person related to the donor;

6.1.5. Contain conditions that cannot be fulfilled by CKC;

6.1.6. Are financially unsound or would expose CKC to liability or reputational risk;

- 6.1.7. Place an undesirable financial burden on CKC's short or long-term resources;
- 6.1.8. Rely on an appraisal or valuation provided to the donor by third parties that is perceived to be inaccurate or unreliable.

7. Forms of Donations

- 7.1. Cash Donations: Cash donations are processed and deposited as soon as possible, and issued tax receipts in a timely manner;
- 7.2. Publicly Traded Securities: CKC accepts securities of publicly traded companies that are registered for trade at a securities exchange in Canada or the United States. Donations will be reviewed prior to acceptance to determine:
 - 7.2.1. There are no restrictions that would prevent CKC from ultimately converting the security to cash;
 - 7.2.2. Accepting or holding the security will not generate any unacceptable cost or liability for CKC;
 - 7.2.3. Value for tax receipt and recognition – in accordance with the CRA's position, donations of securities will be valued for receipting and recognition purposes at the fair market value represented by the closing value on the day the securities are received by CKC;
 - 7.2.4.
 - 7.2.5. Donations of flow-through shares will only be accepted by CKC after securing a legal opinion and satisfactory third-party valuation;
- 7.3. Donation-In-Kind: Donation-in-kind include tangible assets and property (such as wine, art, books, equipment, personal property, and other physical assets or materials). CKC will consider the nature of the donation, the ability and cost to establish fair market value, and potentially, the ability to dispose of the donation as criteria in deciding whether to accept.
 - 7.3.1. In accordance with CRA guidelines, CKC does not issue tax receipts to reimburse staff or volunteers for their expenses, nor does the organization issue tax receipts for donation of services (eg. time, skills, effort). If the person receiving the reimbursement or being remunerated for services voluntarily chooses to donate the money back, a tax receipt can be issued. CKC requires a cheque exchange in these circumstances;
 - 7.3.2. Valuation for Tax Receipt and Recognition – CKC follows the CRA guidelines for valuation found [here](#);
 - 7.3.3. For donations valued above \$1,000, the item is to be appraised by two (2) accredited appraisers selected by CKC in advance of the donation being made.
- 7.4. Bequests: a provision by Will directing assets from an estate to CKC. There are several types of bequests accepted by CKC:
 - 7.4.1. A specific bequest which provides a specified sum of money, or a stated percentage of an estate's assets;
 - 7.4.2. A residual bequest which provides that the organization will receive all or a portion of an estate after providing for beneficiaries;
 - 7.4.3. A contingent bequest which provides that the organization will receive all or a share of the estate in the event of the prior death of certain other beneficiaries;
 - 7.4.4. A residual bequest, subject to life interest, where the donor chooses to have the organization receive the bequest following the death of certain other beneficiaries who have use of the assets in the estate for their lifetime (such as a testamentary trust);

- 7.4.5. Bequests are eligible for a tax receipt when the bequest is actually received by CKC. The actual procedures followed will be determined by the underlying nature of the donation (ie cash or non-cash). In the case of a donation of qualifying securities under an individual's Will, the donation is deemed to occur at the time the estate transfers the securities to CKC.
- 7.4.6. Donors are advised to consult a lawyer, notary or estate planner before executing a Will providing for a bequest. Upon request, CKC will provide sample bequest language to donors or their lawyers, or review a draft of the relevant section of a Will, to ensure that the bequest is appropriately designated and can be used in accordance with the donor's intentions, and that the proper legal title for the organization is used;
- 7.4.7. CKC or its representatives will not become involved in the execution or witnessing of a Will in which it is named as a beneficiary.

7.5. Life Insurance: A Donor may donate a new or existing life insurance policy by designating CKC as:

- The owner and beneficiary of a policy; or
- A beneficiary of the policy

7.5.1. When CKC is named owner and beneficiary of a policy, the donor is eligible for a donation receipt based on the fair market value of the policy and if the donor continues to pay the policy premiums, a charitable donation receipt can be issued for the annual premium that is paid for the policy. However, upon death, no charitable donation tax receipt would be available to the estate. If the policy has no value on transfer then there is no charitable gift upon transfer;

7.5.2. When CKC is the beneficiary (not owner) of a policy, CKC may be named as primary beneficiary, co-beneficiary with another individual or charity using a percentage split, or a secondary or contingent beneficiary should the primary beneficiary predecease the policy holder. Since the designation can be revoked, the donation is not immediately eligible for a tax receipt. Instead, the Estate will receive a charitable tax receipt when the proceeds are paid to CKC.

8. Relationship With Clubs

- Clubs must submit application to partner with CKC
- Project must be approved by PSO and CKC
- Club and CKC must sign agreement, club agrees to report on funds raised and used
- CKC keeps 10% of funds raised as mandated by CRA Policy
- CKC can support grant applications brought forward by clubs so long as they meet the following criteria:
 - *Enhanced Club & Grassroots Development*
 - Support our members in increasing the number of participants in all disciplines
 - Develop and implement an integrated and supported performance development pathway
 - Collaborate with our members to increase access to coaching and resources
 - Support the development and implementation of an integrated LTAD/Sport for Life model
 - *Enhanced Performance*
 - Develop an integrated coaching system
 - Support our members to develop athletes and clubs through a HP pathway

- Consistently reach the podium at major events and games

In view of the practise of many clubs to solicit contributions from parents whose children receive direct support from local clubs, CKC will require as part of its granting policy, that accounting from local clubs include the names of all those athletes who receive subsidized training.