



POLICY: Donation Recording and Receipting

POLICY NUMBER: 2.07

ISSUING AUTHORITY: Community CFPD of Portage and District Inc.

APPROVED:

LAST REVIEWED: February 2023

NEXT REVIEW: February 2026

Purpose:

The purpose of this policy is to ensure proper donation recording and receipting is done as per regulatory requirements.

Policy Statement:

Donation receipts will only be issued once the gift is the legal property of CFPD. Donation receipts require one (1) signature of the Chair, Vice-Chair, Executive Director, or the Treasurer.

Charitable tax receipts shall not be used to receipt funds received from other registered charities, government departments or for donations of furniture and equipment where an impartial fair market value for the donation has not been determined.

The value of a gift of publicly-traded securities will be the fair market value as determined by the closing price of the security at the end of the trading day on which it was transferred to and received by the investment advisor/broker of CFPD. Supporting documentation in writing must verify this valuation.

Gifts of life insurance to CFPD may take several forms. The simplest is where the donor retains ownership of the policy but names the CFPD as a beneficiary upon death. This results in the insurance payout going directly to the CFPD without being part of the will or probate process. The estate will then receive a charitable donation tax receipt (credit).

The second scenario is where the donor irrevocably assigns the ownership of their life insurance policy to CFPD (either an existing policy or one purchased by the donor specifically to donate to CFPD). CFPD then names itself as the sole beneficiary of the policy. The donor will then receive a charitable tax receipt for any future premiums paid, as well as for any cash surrender value and interest and dividends on deposit in the policy (less any policy loans). The donor will also receive charitable donation receipts yearly for any future premiums paid. If the donor chooses to not continue payment of the premiums, CFPD could retain the policy and pay the premiums itself, surrender the policy and collect the cash value of the policy, or change the policy to a paid-up policy by either altering the policy or paying enough cash up front to pay for any future premiums. In this second

scenario described in the above paragraph, the donor's estate does not receive any charitable donation receipt upon the donor's death.

Owner	Beneficiary	Tax benefit to donor during life	Tax benefit to donor at death
Charity	Charity	Charitable donation tax credit for premiums paid	None
Donor	Charity	none	Charitable donation tax credit for proceeds paid at death

It is very important to note that no tax receipt for premium payments is allowed until ownership is absolutely assigned to the CFPD and CFPD receives written confirmation from the insurer. In the case of a new policy the donor will need to delay the first premium payment until CFPD is the owner of record.

Responsibility: Review and revision of this policy if required, with subsequent recommendations to the Board for approval.