

Donation Policy

Date Approved: 10-01-25
Approved by: Director of Operations

1. Intent

1.1 This policy guides how gifts to Grant Church are managed.

2. Application

2.1 This policy applies to those who donate gifts to Grant Church and staff tasked with managing donations.

3. Description

3.1 General Guidelines

Grant Church strongly encourages donors to provide undesignated and unrestricted donations or gifts, allowing us to allocate funds to areas with the most pressing needs. However, Grant Church acknowledges the importance of donations that fall outside this category, as outlined in these policies, and will support these gifts when they are consistent with the mission and priority needs of Grant Church, such as the Church's annual operating budget, which its members approve.

Once Grant Church accepts a designated or restricted gift, it commits to using that gift or its designated portion in accordance with the donor's intentions. In the event that a specific need has been satisfied, an established program or project has concluded, or circumstances beyond the Executive Team's control prevent its execution, the donor acknowledges Grant Church's authority to reallocate these designated or restricted gifts to support other programs, as directed by the Executive Team.

Furthermore, all gift acceptances must adhere to and uphold any pertinent Grant Church policies and codes, ensuring accountability in the church's actions.

Grant Church reserves the right to decline any gift.

Grant Church will produce supporting documentation and reports for donations and gifts with multi-year commitments or designated for specific purposes.

Grant Church (118946318 RR 0001) and Linden Christian School Inc. (120707179 RR 0001) are registered charities. According to the Canada Revenue Agency, a registered charity is exempt from income tax. It can issue official receipts for individuals to claim tax credits, and corporations can claim deductions from income.

All registered charities are required to file annual returns (T3010) with the Canada Revenue Agency. The return reports on financial activities, including revenue, the dollar value of charitable receipts issued, and expenses incurred in carrying out the organization's charitable purpose(s).

Summary information from all Canadian registered charities can be viewed online at the Canada Revenue Agency website.

Any questions concerning these policies can be directed to the Finance Team at accounting@grantchurch.ca or 204-560-5122. Probationary Reviews:

3.2 Gift Types

The terms "gift" and "donation" are often used interchangeably. For this policy, "gift" and "donation" are understood to mean the same thing: a voluntary transfer of cash or in-kind goods from individuals, corporations, foundations, and other sources to Grant Church for either undesignated or designated use. Gifts are made without the expectation of a tangible return.

There are three types of gifts outlined in this policy:

Undesignated or Unrestricted Gift:

A gift given to Grant Church where the donor has not specified how the support will be directed. Grant Church will determine the most appropriate use of the gift.

Designated or Restricted Gift:

A gift is given to Grant Church, where the donor has specified how the support will be directed. (See Section 3.4 for more details.)

Deferred Gift:

A commitment to make a gift today for delivery to Grant Church in the future. These include bequests, life insurance, retirement plans such as RRSPs and RRIFs, charitable gift annuities, charitable remainder trusts, and other gift vehicles that may be categorized as deferred gifts in the future. (See section 3.7 for more details.)

3.3 Gift Formats Accepted

Grant Church will accept donations through the following giving formats, subject to the terms outlined below:

Cash or Equivalent:

These gifts include those received through cheques, debit, and credit cards. Pledges of cash or equivalents will also be accepted.

In-Kind:

These gifts include tangible personal property, real property, and goods or services. (See section 3.5 for more details.)

Securities:

Gifts of securities include donations of publicly traded and thinly traded securities. (See section 3.6 for more details.)

3.4 Designated or Restricted Gifts

Designated gifts can be accepted only for established programs or projects that have an associated internal Central Fund to hold the gift. The specific use of the gift within that fund must fall within the purposes of Grant Church that the Executive Team has approved. Each gift directed toward an approved program or project will be used as designated. When the specified gift remains ambiguous, the Finance team will contact the donor to clarify which fund they intended their gift to be directed to.

There may be occasions when the intended purpose of the fund has been fulfilled, the established program or project has concluded, or its use cannot be carried out due to reasons beyond the Executive Team's control. Under this policy, the donor agrees that Grant Church may redeploy their gift, with the Executive Team having the authority to determine the reallocation of these funds to carry out its other programs.

GMBC will retain supporting documentation for gifts with multi-year commitments or designated for specific purposes.

3.5 In-Kind Gifts

Grant Church reserves the right to decline any in-kind gift. The decision to accept or decline a gift resides with the Executive Team. The gift must meet the established needs of Grant Church rather than establishing a need based on the gift.

The proven value of the donated item is required for Grant Church to issue a tax receipt. Receipted in-kind gifts will be accompanied by supporting documentation gathered by Grant Church, such as the gift's current market pricing, to establish the value.

Registered charities cannot issue official charitable income tax receipts for gifts of services. At law, a gift is a voluntary transfer of property without consideration. Contributions of services (for example, time, skills, effort) are not property. Therefore, they do not qualify as gifts for the purpose of issuing official donation receipts.

However, a gift of services may be eligible for a tax receipt under the following conditions:

If Grant Church pays a service provider for services rendered and the service provider then chooses to donate the money back, Grant Church can issue a receipt for the monetary donation (this is often referred to as a cheque exchange). In such circumstances, these two distinct transactions must take place:

- A person provides a service to the church and is paid for that service
- That same person makes a voluntary gift of property to the church

The donation receipt can only be issued to the service provider in exchange for an invoice marked "Paid". Receipting of this type will be determined on a case-by-case basis by the Executive Team.

3.6 Security Gifts

As part of our ongoing commitment to transparency and accountability to our donors, Grant Church encourages donors to consult with independent legal, financial, or tax advisors, as well as family members, before proceeding with donating the gift.

Donors are also encouraged to contact Grant Church to discuss their proposed donation before transferring their securities. Donors must complete a donation transfer form to complete their gift.

Grant Church can receive gifts of securities listed on any prescribed stock exchange or market, including Canadian stock exchanges, the NYSE, AMEX, and NASDAQ. In accordance with the guidelines set out by the Canada Revenue Agency and this policy, Grant Church can also receive gifts of mutual fund units, pooled fund units, and segregated fund units.

In addition, Grant Church can accept donations of thinly traded securities. However, it is recognized that these can be difficult to liquidate at the value or close to the value of the shares at the time the gift was made. These will be accepted on a case-by-case basis. Donors must discuss their proposed donation of thinly traded securities with Grant Church before initiating a transfer of such securities.

Grant Church reserves the right to decline any gift (as outlined in Section 3.1), including, but not limited to, a gift of thinly traded securities, if Grant Church is not notified before the transfer.

All gifts will be liquidated immediately.

The following guidelines will be used in processing a security gift:

Electronic Transfer of Gifts:

To value the income tax receipt for securities transferred electronically, the value of the gift will be based on the closing market value on the day the gift is received in Grant Church's brokerage account.

Transfer of Gifts via Share Certificate:

If the gift of securities is delivered via share certificate, the value of the gift to establish the amount for the income tax receipt will be based on the closing market value on the day Grant Church or its broker takes possession of both the share certificate and the transfer documents.

Valuation of Securities for Recognition Purposes:

Recognition will be based on the tax-receipted amount of the donation.

3.7 Deferred Gifts

Grant Church accepts donations in the form of deferred gifts, such as bequests, life insurance, retirement plans (including RRIFs and RRSPs), charitable gift annuities, charitable remainder trusts, and other gift vehicles that may be categorized as a gift in the future.

Tax receipts for deferred gifts will be issued in accordance with Canadian Income Tax Act regulations, Canada Revenue Agency guidelines, the specific gift format requirements, and all applicable Grant Church policies.

Grant Church strongly recommends that all donors seek advice from professional advisors and discuss the matter with their family when considering a bequest or other deferred gift to Grant Church.

3.8 Donor Recognition and Receipting

All eligible donations of \$10 or more shall be duly recognized through the dispatch of a formal letter or email, and the issuance of an official income tax receipt. This receipt will be provided on an annual basis (typically in February), encompassing the total sum contributed by an individual or entity throughout the preceding calendar year, unless a written request specifying an alternative arrangement is submitted.

3.9 Returning Gifts

Normally, once a gift has been given, it cannot be returned. However, under very specific circumstances, it may become imperative for Grant Church to consider the return of a previously accepted gift. The Executive Team will determine whether to return a gift, consulting with legal and financial counsel.

If a decision is reached to return a gift, Grant Church will adhere to the stipulations set forth by the Canada Revenue Agency. Alongside the return of the same or substantially identical property, Grant Church will furnish the donor with comprehensive information pertaining to the

revoked or revised charitable tax receipt. A duplicate of this cancelled or modified tax receipt shall be duly submitted to the Canada Revenue Agency.

Such instances could include, but are not limited to:

- a) Where continued association with the donor would result in harm to Grant Church's reputation
- b) Where a donation is determined to have been the proceeds of a crime

Under such conditions, the terms of the donation agreement can no longer be honoured, and a new agreement cannot be negotiated with the donor, their heirs, or assigns.