

**Lennox & Addington County General Hospital Foundation
DONATION POLICY**

The Lennox & Addington County General Hospital Foundation (the “LACGHF”) relies on fundraising and philanthropy to deliver its mission and to encourage the solicitation and acceptance of philanthropic gifts, grants, and other related revenue sources. LACGHF values its relationships with all donors and strives to ensure openness and transparency in all its dealings with the public and the manner by which private investment advances its mission.

SCOPE:

It is the responsibility of the LACGHF and its staff to ensure that the highest standards of professionalism are followed when accepting gifts and in working with donors.

The LACGHF will act in accordance with the Board policy: Code of Ethics of both the Association of Fundraising Professionals (AFP) and the Canadian Association of Gift Planners (CAGP). This policy should also be read in conjunction with the LACGHF ’s Naming Policy.

PURPOSE:

The Policy provides the structure that will guide the LACGHF as it seeks and receives charitable gifts. In addition, it establishes broad guidelines to assist the Board, staff and other individuals who are providing leadership in fund development. This policy will provide a framework as to how gifts can or cannot be accepted and how gifts are received and stewarded.

GENERAL DEFINITIONS USED IN THIS POLICY:

Gifts	For the purposes of this policy, “gifts” and “giving” refer to transfers of property by individuals, trusts, corporations, and organizations that irrevocably vest with the LACGHF.
Charitable Gift (“Donation”)	A voluntary transfer of property where any advantage received by the donor can be reasonably determined and donative intent is present.
Vest	When legal ownership of the property has been transferred to the LACGHF and all conditions (if any) have been satisfied.
Advantage	Any direct or indirect benefit, gratuity, payment, commission, now or in the future that the donor or a related party is <u>entitled</u> to receive as a consequence of a donation. The value of Advantage must be reasonably determinable in order to calculate the eligible amount.

Eligible Amount	The FMV of the contributed property less the advantage (if any). The eligible amount equals the value of the charitable tax credit or deduction claimed by the donor.
Related Party	Any individual, corporation, or trust (“person”) that is not at arms length the donor.
Donative Intent	If the eligible amount is equal to or greater than 20% of the FMV of the donation, donative intent is evident and a charitable tax receipt can be issued for the eligible amount.
Fair Market Value	Fair market value (FMV) is the price that a donated property would sell for on the open market. With the exception of Listed Securities, a reasonable determination of the FMV of a non-cash property donation is a written, independent expert assessment of the FMV of the property.
Gifts of Services	Gifts of Services are not property and therefore not a donation.
Organizations	Include governments, foundations, businesses, associations and community groups.
Prospect Management	Prospect management involves the coordination of donor and prospect relationships.
Prospect Clearance	Prospect clearance is the approval process by which a staff member or volunteer is “cleared” to solicit a gift from a prospective donor.

GIFT SPECIFIC DEFINITIONS USED IN THIS POLICY

Listed Securities	Mutual and segregated funds, prescribed debt obligations, and any security listed on a designated stock exchange.
Designated Stock Exchange	<p>A designated stock exchange is a stock exchange, or a part of a stock exchange, that has been designated as such by the Minister of Finance and listed on the Department of Finance Canada website, or by any other means that the Minister of Finance considers appropriate. There are five designated stock exchanges in Canada:</p> <ul style="list-style-type: none"> • the Canadian National Stock Exchange (CNSX) • the Montreal Exchange • the TSX Venture Exchange (Tiers 1 and 2) • the Toronto Stock Exchange • the Aequitas NEO Exchange

	The list also includes many stock exchanges outside Canada, which have also been designated.
Bequest	A donation made via the individual's last will and testament. Such gifts are deemed to be made by the individual's estate. Tax receipts are issued to the estate for the eligible amount of the property on the date it is accepted (vests) with the LACGHF .
Life Insurance	A contract between an insurance company and the policy owner (an individual or a corporation) to pay a prescribed amount to the beneficiary(ies) upon the death of the insured. The owner is responsible for paying the required premiums to keep the policy in force and is responsible for assigning the beneficiary(ies). The owner may also be named as a policy beneficiary.

Permanent Life Insurance Policy	A life insurance contract that is guaranteed to pay the death benefit upon the death of the insured. For the purposes of this policy, the LACGHF will consider ownership of the following types of permanent insurance: Term to 100, Whole Life, and Universal Life.
Life Insurance – Death Benefit	The amount the insurance company is obligated to pay the beneficiary of the policy upon the death of the insured. The death benefit is tax free to the beneficiary and in the form of cash and must be received within 3 years of the death of the insured to be eligible for a tax receipt.

Face Only or Face Plus Life Insurance Policies	Face only life insurance policy pays the death benefit stated on the face of the contract, and any cash or investments in the policy at death of insured is retained by the insurance company. Face Plus contracts pay the amount stated on the face of contract PLUS the value of cash and or investments (if any) in the contract.
Life Insurance Cash Value ("CSV")	An amount of cash and/or investments built up in a life insurance policy that the owner may withdraw if the policy is surrendered (cancelled). Cash surrender values are built up through premium payments that are in excess of the cost of insurance ("COI").
Net CSV	CSV less any policy loans outstanding. A policy loan is where the owner borrows from the csv at a stated interest rate. Unpaid policy loans will reduce the death benefit and/or lapse the policy (loan > csv).

Cost of Insurance	The amount required by the insurance company to keep the policy in force. The COI may be required for a prescribed period (e.g. to age 85), or for the life of the insured. COI may be increased annually ("YRT") or guaranteed to remain level for the duration of the contract.
Yearly Renewable Term COI	A contractual feature of some policies where the COI is reassessed every year. Cost of insurance is extremely low when the insured is young, and as he or she ages, the COI increases. These costs grow very rapidly later in life (e.g. 80+) causing underfunded contracts to lapse.
Life Insurance Premium	A series of payments to the insurance company that are projected to fund the ongoing COI to keep the policy in force. The amount of premium is determined based on numerous factors such as projected interest rates, the type of COI, projected dividend rates for premium offset options, and so forth. Premiums may be guaranteed to remain level throughout the contract and/or may be payable for the life of the insured or for a period of time (e.g. limited pay contracts).
Limited Pay Life Insurance	A highly desirable situation where premiums are paid for a period less than life. Common examples include 10, 15, and 20 pay. Death benefit, COI, and number and amount of premiums can be guaranteed which in effect locks the policy in.
Premium offset	A feature of participating whole life contracts where due to a significant build up of investments inside the policy, the insurance company pays the premiums with its dividends. Such payments are not guaranteed and if dividends decrease, the owner may need to contribute more premium. Unlike limited pay, premium offset contracts are not guaranteed.
Term –to-100 Life Insurance	The cheapest form of insurance. Premiums are sufficient to keep the policy in force and are payable for the life of the insured or to a specific age (e.g. 100). There is no CSV in these policies. If premiums stop, the policy lapses.
Whole Life Insurance	A type of contract that guarantees the insured for his or her whole life. The policy will pay the death benefit if the illustrated premium is paid.
Universal Life Insurance	A type of contract that offers flexibility to change many of the features of the contract. For example, owner can change the death benefit, investment options, premium loads, etc. The

	danger with Universal life policies that they can be invested in the market and failure to meet market projections can lapse the policy (underfunded)
Fixed Value Preferred Shares	A class of shares that that do not change in value. Shares feature an attractive dividends, are redeemable and retractable, have a fixed value stated on the share, and offer preferential treatment to other classes of shares in case of insolvency. A common tool used in financial and tax planning for business owners.
Redeemable/Retractable Preferred Shares	Redeemable preferred shares permit the company to buy its shares back at a fixed price and retire it to treasury thus reducing the number of shares outstanding and decrease its dividend payments. Retractable is similar in that the owner is obligated to sell the share back to the company for a fixed price. Both features are important when considering accepting this type of property as a charitable gift.
Reasonable Assessment	An opinion on the fmv of the property from a qualified independent expert. An Actuary is to be used for life insurance policies and interests in trusts. A Chartered Business Valuator ("CBV") is to be used for non-listed shares. A real estate agent is to be used for real estate.
Graduated Rate Estate	A deeming provision where all gifts via the Will and designation donations are deemed from the estate and no other tax payer. In order to qualify as a GRE gift, the property must be transferred to the LACGHF within 60 months of death. A tax receipt may be issued for the fmv of the property on the date it is accepted by the LACGHF .
Designation Donations	A designation donation is the proceeds from a life insurance policy, RRSP, TFSA, or RRIF. The importance of designation donations is they are GRE eligible.

BACKGROUND:

The Lennox & Addington County General Hospital Foundation is an independent charitable organization governed by a dedicated board of community volunteers. The Foundation was established in 1995 to encourage and to co-ordinate a continuing high level of support for the Lennox & Addington County General Hospital. As such the Foundation has an important public relations role to reach out to the community.

Delegations and Authority

- The LACGHF 's Board of Directors approves the LACGHF 's strategic priorities from which fundraising goals and priorities are determined.
- The Finance Committee of the Board is mandated to oversee all revenue streams, including fundraising revenues, in order to realize the mission and strategic direction.
- The Executive Director oversees the development and execution of the fund development strategy for the LACGHF, and is responsible for managing all aspects of the fund development program.
- Gift opportunities may come through any Department. Staff will bring the opportunity to the Executive Director for review and possible action. The development team will register the donation, negotiate the fund/donation agreement, arrange and or approve of independent expert assessments of the property, and manage stewardship of the donor as appropriate.
- With the input of and acceptance by the LACGHF's Finance Committee, fund development authority and acceptance delegations are as follows:

Gift Range	Delegated Authority
≤ \$100,000	Executive Director
\$100,001 - \$499,999	As above
\$500,000+	As above
Bequest Gifts	As above
Non-Cash Gifts and Pledges (excluding equipment)	As above
In Kind Gifts of Equipment	As above
Endowment Fund Establishment	Finance Committee
Fundraising Partnerships	Executive Director
Naming	Policy Committee
Gifts requiring additional consideration	Finance Committee

- The Executive Director may on occasion delegate his/her authority to Development Department staff.
- LACGHF is responsible for managing and investing endowment, restricted and unrestricted funds per its constitution and bylaws.
- The Executive Director is responsible for prospect management and clearance. All approaches to current and prospective donors by staff and/or volunteers are coordinated through the Development Department.

- The Development Department is responsible for maintaining the office database of record for all non-staff or volunteer relationships, including current and prospective donors, and for tracking and recording fundraising revenue.
- The Executive Director will convene the Finance Committee for situations that do not fit this policy. The Finance Committee will consist of Board Members and external advisers as required. The Finance Committee will make specific recommendation to the Executive Director for the acceptance or rejection of the gift proposal.
- The Executive Director will conduct regular reviews of current gift strategies being promoted to LACGHF donors to ensure such strategies remain accurate, fulfill the needs of the LACGHF and are compliant with existing or proposed legislation.
- The Executive Director will conduct a review every 3 years of all universal life and premium offset whole life insurance policies owned by the LACGHF to ensure that they are properly funded and will pay the illustrated death benefit. The Executive Director may use external resources to assist with this review.

Appendix 1 PROCEDURES

1. Acceptance of Gifts

- 1.1.1. The LACGHF seeks and accepts gifts from individuals and organizations that are consistent with and advance the mission and strategic direction of the organization.

- 1.2. The LACGHF will refuse a gift that may:
 - 1.2.1. Put the safety of a child or other vulnerable person at risk.
 - 1.2.2. Morally, ethically, or legally expose the organization, or negatively affect the reputation of the LACGHF and/or Archives.
 - 1.2.3. Expose the LACGHF and/or Archives to risks that exceed the benefits of the gift.
 - 1.2.4. Unduly restrict the LACGHF's ability to solicit or accept other funds from other sources.

- 1.3. No donor can influence or determine the content of a program or service that the LACGHF and/or Archives delivers.

- 1.4. The LACGHF's staff and/or volunteers will not present a gift proposal to a potential donor that it cannot accept.

- 1.5. Where a proposed donation does not meet gift acceptance criteria, the Development Department will work with the donor to present mutually satisfactory options. If a satisfactory arrangement is not found, the gift will be refused.

2. Donor Directed Gifts

- 2.1.1. The LACGHF accepts designated or restricted donations subject to clause 3.1. Where a donor wishes to specify that their donation or bequest be used for a specific purpose, a gift agreement will be created.

- 2.2. Once accepted, all designated donations will be used for the purposes for which they were given.

- 2.3. Designated endowment funds will support the purposes for which the funds were gifted as long as the purpose of the fund is relevant to the mission.

- 2.3.1. Designated gifts to endowment funds will be documented with clear terms of reference including the name and purposes of the fund. This agreement will allow the Board of Directors to re-evaluate the restriction after a certain stated number of years.
- 2.3.2. Should the purposes of a designated fund cease to exist, the LACGHF will consult the donor or his/her designate to direct the funds to an alternative area of need.
- 2.3.3. Should the donor or designate be unreachable, the Board of Directors may allocate the fund to another area of need or to an unrestricted endowment.
- 2.3.4. Donors cannot restrict how their gift, bequest, or endowment funds are invested by the LACGHF. All major gift and endowment donors will be told prior to their gift being accepted that their donation will be invested by the LACGHF according to the LACGHF's investment policy.

3. Standards of Practice

- 3.1. Donors are counselled to seek the advice of an independent, professional legal and or tax advisor on gift planning.
 - 3.1.1. Development Department staff will not provide financial or legal advice to prospective donors when planning or negotiating a gift.
 - 3.1.2. The LACGHF will not provide payment of any fees to the donor or to any advisors or agents acting on behalf of the donor.
- 3.2. Notwithstanding this statement of limits of accountability, no LACGHF staff member shall knowingly encourage a gift if the making of the gift is contrary to the donor's best interests.

Types of Acceptable Gifts

The LACGHF accepts outright and deferred gifts.

4. Outright Gifts

An outright gift is a donation of cash or property in which the donor retains no interest and which can be used currently by the LACGHF.

Guidelines

- The LACGHF accepts outright gifts of any amount, though gifts to establish a named endowment must meet the minimum funding requirements set by the Board.
- Cash gifts can be paid by cash, cheque, credit card, e-transfer, and can be made online. Foreign currency cash donations will be receipted in Canadian dollars for the amount that is deposited into the LACGHF's accounts.

- A donor may complete a gift in a single transaction or make a pledge to be paid over whatever period of time is mutually acceptable to the donor and the LACGHF. Recognition will occur when two thirds of the pledge has been paid.

5. Gifts by Will

A gift by will (also known as a bequest) is a provision by will directing property from an estate to the LACGHF. There are several types of bequests accepted by the LACGHF:

- A specific bequest which provides a specified sum of money, or a stated percentage of an estate or specific property, such as real estate or securities to the LACGHF;
- A residual bequest which leaves all or a portion of an estate to the LACGHF after providing for other beneficiaries;
- A contingency bequest which ensures that the LACGHF receives all or a share of the estate in the event of the prior death of certain other beneficiaries;
- A residual bequest, subject to life interest, when the donor chooses to have the LACGHF receive the bequest following the death of certain other beneficiaries.

Gifts by will to the LACGHF are eligible for a charitable tax receipt. The LACGHF recommends that donors consult a lawyer, notary or estate planner before executing a will providing for a gift to the LACGHF. The LACGHF reserves the right to decline a gift if the donor has not retained independent counsel.

Recognition will be equal to the value of the gift receipted at death and will be accorded recognition at the appropriate category and level. In addition, the gift intention will be acknowledged, with permission of the donor, during the lifetime of the donor as a member of the Legacy Circle.

Guidelines

The following guidelines govern acceptance of a gift by will. Upon request, sample bequest language will be made available to donors and their lawyers to ensure that the bequest is appropriately designated, is deemed feasible at the time of designation and that the proper legal title for the LACGHF is used. The corporation's legal title is the Lennox & Addington General Hospital Foundation;

- A bequest of \$50,000 or more can be used to create a named endowment fund;
- Donors are encouraged to specify their preferred fund name in their will or in communications addressed to the LACGHF during the donor's lifetime. In the latter instance, a Memorandum of Understanding confirming the donor's wishes will be prepared for signature by the LACGHF and the donor;

- Donors are invited and encouraged to provide information to the LACGHF about their bequest and, if they so choose, to send to the LACGHF a copy of the relevant section of their will. This enables the LACGHF to review the wording to ensure that the gift can be used in accordance with the donor's intentions and allows for appropriate recognition during the donor's lifetime;
- The LACGHF will not become involved in the execution or witnessing of a will. During the administration of an estate in which the LACGHF is a beneficiary, the Executive Director or designate - in consultation with the LACGHF's legal counsel - shall represent the LACGHF in dealings with the estate's executor;
- Once the property vests with the LACGHF, including a designated gift, the LACGHF will issue to the estate a charitable tax receipt for the value of the gift less any advantage.
- The LACGHF is aware of the Graduated Rate Estate timelines and will do everything in its power to expedite the acceptance of suitable gifts.

6. Gifts of Life Insurance

There are various methods by which a life insurance policy may be contributed to the LACGHF. A donor may:

1. Assign irrevocably a paid-up policy to the LACGHF with or without premiums owing;
2. Name the LACGHF as a beneficiary of the death benefit.

When ownership is irrevocably to the LACGHF and it names itself as beneficiary, the donor is entitled to a donation receipt for the net cash surrender value (if any) or the FMV as determined by an actuary. Once the policy is assigned to the LACGHF, any premiums or policy loan repayments that are subsequently paid by the donor are charitable gifts eligible for a tax receipt.

Guidelines

- 1) **Donation of an existing policy:** A donor may donate an existing policy by assigning the LACGHF as the owner and then the LACGHF can name itself as beneficiary of the policy. The LACGHF issues a charitable tax receipt for the policy's FMV or cash surrender value, including accumulated dividends and interest. If the policy is not yet fully paid-up, the donor will receive tax receipts for any additional premium payments made by the donor after the policy is assigned. Premiums may be paid directly to the insurance company, or to the LACGHF. If paid to the insurance company, tax receipts will only be issued upon written notice of premium payment from the donor's life insurance company. Upon the donor's death, the LACGHF receives the value of the policy.

Donor recognition will be equal to the value of the tax receipt issued for the policy's cash surrender value, including accumulated dividends and interest. During the donor's lifetime, the donor may be recognized in the annual Donor Recognition list or on the Donor Wall for their cumulative gifts including premiums paid. Donors may also be recognized in a newsletter article or other publication and as a member of the Legacy Circle. Upon the donor's death, the LACGHF receives the value of the policy. The donor will be recognized posthumously at a level equal to the value of the policy (death benefit) and their cumulative gifts at death.

If, during the donor's lifetime, they cease to make premium payments on the policy, recognition will be limited to the premiums paid by the donor while living. The donor will not be entitled to donor recognition posthumously at a level equal to the value of the policy at death. The LACGHF may choose to surrender the policy for its cash value or choose to continue premium payments; in either case, no other recognition will be accorded the donor beyond their last premium payment.

- 2) The aforementioned factors apply to the donation of a new policy as well. Given that it is not likely for new contracts to meet the ROI expectations of the LACGHF, the LACGHF does not encourage the donation of a new policy. Donors interested in making contributions to fund new policies should make them directly to the LACGHF to be invested. Over time, and often during the donor's lifetime, the amount of the investment will equal the death benefit, at which time the funds can be used in accordance with the donor's intention. If the donor passes before the prescribed number of donations had been made, the LACGHF may allocate undesignated endowment funds to the donor's account to complete the agreed number of payments, or allow the funds already invested to grow to the required level.
- 3) If a donor donates a new policy that names the LACGHF as owner and beneficiary, the donor will receive annual charitable tax receipts for the full amount of each premium paid by the donor. Receipts will only be issued upon written notice of premium payment from the donor's life insurance company. Upon the donor's death, the LACGHF receives the value of the policy.

Donor recognition will equal the value of the premium payments annually and cumulatively. The same terms as described above apply when a donor ceases to make premium payments. As above, a donor may also benefit from donor recognition during their lifetime, equal to the premiums paid or posthumously for the value of the policy at death plus cumulative lifetime gifts. In either case, the donor will be responsible for

payment of all premiums on the policy. In the event that the premiums are not paid, the LACGHF reserves the right to choose whether to continue the payments or to surrender the policy for its cash value.

- 4) Premiums paid for life insurance policies in which the donor retains ownership and which name the LACGHF as a beneficiary are not eligible for a charitable tax receipt during the donor's life time. Any death benefit ultimately received is a donation and eligible for a tax receipt. If eventually the LACGHF is a beneficiary of all or part of the death benefit at the death of the donor, the donor will be recognized posthumously for the value of the death benefit and recognized at the appropriate category/level and the estate will be receipted as such.

The following guidelines pertain to all gifts of life insurance:

- The LACGHF will not accept an existing insurance policy that requires more than 10-15 premium payments;
- Where premiums are owing to maintain a contract, the LACGHF expects the Return on Investment for receiving the death benefit to be at least 6%;
- The growth rate projected in the policy must be guaranteed or a maximum of 3%;
- The COI must be guaranteed level;
- Face Plus contracts are preferred;
- The premiums must be guaranteed level.
- A Memorandum of Understanding confirming the donor's wishes will be prepared for signature by the LACGHF and the donor;
- The administration of a gift of life insurance will involve the Executive Director or designate. This representative or designate will:
 - request a copy of the donor's life insurance policy or sample contract that the donor's representative attests in writing, exactly mirrors the donor's policy;
 - Ensure the policy meets the conditions stated above. NOTE that many policies contain options to convert them into a suitable contract;
 - If the donor wishes to donate the policy, a current copy of the FMV assessment from an actuary is required;
 - Review annual statement from the insurance company to ensure that the policy remains in force with no anticipated issues;
 - If issues are present or suspected, contact the appropriate advisers to provide recommendations on how best to proceed with the contract;
 - when premiums on uncompleted policies remain outstanding, the LACGHF representative or designate will recommend to the Board of Directors or

designate whether to pay the premiums or cash in the policy. The LACGHF reserves the right to make this determination;

- o upon receipt of confirmation of the assignment of a life insurance policy to the LACGHF and the actuarial assessment, the LACGHF will issue a charitable tax receipt for the appropriate value.

7. Gifts of Retirement Plan Assets

Potential supporters of the LACGHF may have RRSPs, RRIFs, TFSA, or other retirement plans and where the value of the assets involved may be more than the donor will need during retirement. It might be appropriate for donors to use these assets to make current outright gifts, whereas in other cases it may be preferable to have retirement plan assets contributed upon death. In either situation, the property transferred is cash.

Guidelines

- The LACGHF may accept current outright gifts of cash distributed from retirement plans. As with any gift, donors are encouraged to consult with their financial advisers to determine that they can part with such assets without compromising their financial security and that the tax consequences are acceptable; and
- The LACGHF may also encourage beneficiary designations, again provided that the donor, upon consultation with his or her advisor, determines that this is compatible with the overall estate plan.

8. Gifts in Kind

The LACGHF will consider accepting gifts in kind provided they further the vision and mission of the organization. Acceptable gifts-in-kind include listed and fixed value preferred shares, real estate, gifts of interests in real estate and trusts. The LACGHF does not accept gifts of crypto-currency. Staff will advise prospective donors to sell the crypto-currency and donate the cash to the LACGHF. The LACGHF accepts gifts of goods that it would normally purchase if the gift had not been given.

8.1. Gifts of listed securities

The LACGHF accepts gifts of publicly listed securities. The value of such a gift is determined as the value at the close of trading on the date the securities are received into LACGHF's brokerage account. If there is significant volatility in the security price on the day it is received into the LACGHF account, LACGHF will consider using the average share price on that day to determine the fair market value of the donated securities.

Gifts of listed securities will be liquidated upon receipt.

Donations of listed securities may be handled in one of two ways:

- transfer of securities—the donor may instruct his or her investment firm to transfer securities, in negotiable form, from the donor’s account to the LACGHF investment account. Valuation of the securities will be determined on the date the securities have been credited to the LACGHF’s investment account; and
- presentation of certificates — the donor may deliver properly endorsed certificates (signed off exactly as registered with signature(s) guaranteed by a bank or investment firm if required) to the LACGHF. Valuation of the securities, in negotiable form, will be determined on the date the securities are received by LACGHF.

Recognition of all gifts of securities will be based on the receipted value of the gift and will be accorded recognition at the appropriate level of the LACGHF’s Donor Recognition Policy on an annual and cumulative basis.

Guidelines:

The following guidelines govern acceptance of a gift of listed securities:

1. In most cases, a Memorandum of Understanding confirming the donor’s wishes will be prepared for signature by the LACGHF and the donor;
2. The administration of a gift of securities will involve the Executive Director and, if necessary, the Finance Committee;
3. Donors will be encouraged to make gifts of securities via book-based transfer rather than in certificate form. In the case of a book-based transfer of listed securities between investment firms, the Executive Director will:
 - a) consult directly with the donor’s and LACGHF’s investment firms;
 - b) identify immediately to LACGHF’s broker the:
 - name of delivering investment firm;
 - name and number of delivered shares;
 - CUSIP (Committee on Uniform Security Identification Procedures) number of shares;
 - name of the donor, and;
 - request confirmation, for charitable receipt purposes, the exact date on which the securities were received in the LACGHF’s investment account. In the event of US securities, the same procedures apply but will also include the CN / US bank

exchange rate on the day of the transfer. The exchange rate will appear on the official receipt provided to the donor.

8.2. Gifts of Shares in Privately-Owned Companies

Donors may make gifts of privately-owned securities and partnership interests. These can be accepted by the LACGHF so long as the following guidelines are met:

Guidelines

1. Fixed value preferred shares may be accepted if they will not subject the LACGHF to penalties and can be sold immediately;
2. The LACGHF shall issue a donation receipt based on the proceeds received for the redemption of the shares. Such a policy negates the need for a FMV assessment of the value.
3. The LACGHF's representative will:
4. Provide an approved template agreement between donor and recipient charity outlining terms of gift, including:
 - a. Identify shares to be donated, including confirming redemption privileges and value, beneficial and legal ownership of shares, and residency of donor
 - b. Document the specifics of shares to be gifted (number, class, attributes, etc.)
 - c. Confirm the Value of preferred shares to be gifted
 - d. Complete the Terms of gift (date of transfer, agreed date of redemption)
 - e. Complete the terms of redemption (date, manner, cashflow, timing)
 - f. Secure a Joint guarantee should be provided between donor, donor's corporation, and charity to indemnify against any issues related to the shares once transferred to the charity
 - g. Secure indemnity, hold harmless, releases, etc. if required
 - h. Gift Agreement should also provide that no receipt will be provided until shares redeemed and cash settled (potentially including any gap period to ensure funds clear) and that receipt will be based only on funds received, who will pay for transaction costs and due diligence (if charity pays, the costs will be deducted from the amount received to the donor), state any recognition associated with the donation.
5. The LACGHF should take sufficient due diligence steps to ensure cash is available for immediate redemption (or within a very short period of time)
 - Advise the donor that decisions regarding the sale of the securities rest with the LACGHF in consultation with the Finance Committee.

The LACGHF retains the right to decline any gift of private securities if they are considered a liability to the LACGHF or are in contravention of its investment policy.

9. Gifts of Real Estate

The LACGHF will accept a gift of real estate in the rare situation where it needs the land for its operations and/or capital expansion. As there is no taxable benefit to gifting real estate in kind, therefore donors are encouraged to sell first then donate some or all of the proceeds in cash. Such a policy negates the need for a FMV assessment of the property.

The following guidelines pertain to in kind gifts of real estate in general.

Guidelines

1. The LACGHF will secure a property inspection and a qualified appraisal of the property. The appraiser secured by the LACGHF may take into consideration any appraisal secured by the donor and may, in some instances, confirm that appraisal, but the LACGHF shall ultimately rely on its independent appraisal.
2. The LACGHF will conduct an environmental assessment of the property, which may include an environmental audit, and will accept the property only if (a) it contains no toxic substances, or (b) all toxic substances are removed or other remedies are taken to assure that the LACGHF assumes no liability or limits its liability to an acceptable level.
3. The LACGHF will determine if the donor has clear title to the property.
4. The LACGHF will review other factors, including zoning restrictions, marketability, current use, carrying costs (pre-sale or conversion expenses), any possible liabilities, and cash flow to ascertain that acceptance of the gift would be in the best interests of the LACGHF.
5. A tax receipt will be issued for the appraised value less any advantage received by the donor as a result of the gift.

10. Gift of a Residual Interest

A gift of a residual interest refers to an arrangement an interest in real property is irrevocably committed to the LACGHF and the donor retains use of the property for life or a specified term. For example, the donor might give a residual interest in vacant land and continue to live in it until death. The donor is entitled to a gift receipt from the LACGHF for the FMV of the residual interest. The LACGHF will not ordinarily consider a high maintenance property such as a residence for use in a residual gift.

Guidelines

1. For any gifts of residual interest, the donor shall continue to be responsible for real estate taxes, insurance, utilities, and maintenance after transferring title to the property to the LACGHF unless the LACGHF, upon approval of the Board, agrees to assume responsibility for any portion of these items. The LACGHF's interest in the property shall be conveyed by deed, and there shall be an agreement that specifies the respective rights and responsibilities of the LACGHF and of the person(s) for whose benefit the life estate has been retained; and
2. The LACGHF reserves the right to inspect the property from time to time to assure that its interest is properly safeguarded.

11. Charitable Remainder Trusts

A charitable remainder trust is where the donor ("settlor") transfers property into a trust where a trustee(s) manages it. The donor may not encroach on the capital in the trust, which is owned by the LACGHF. Trust income is paid to the donor and retains in nature (e.g. dividend, capital gain). For example, a capital gain paid to the donor remains a capital gain for tax reporting purposes. When the trust terminates (either at the death of the income beneficiary(ies) or after a term of years), the trust remainder is distributed to the LACGHF. When the Trust is settled, the donor is entitled to a gift receipt for the present value of the remainder interest owned by the LACGHF. Note that no additional contributions may be made to the CRT. If the donor wants to put more investments in the CRT, he or she needs to setup a new one.

NOTE: a CRT is no longer a viable gift solution after death because testamentary CRT's are not considered GRE gifts and may significantly impact the donor's final taxes.

Guidelines

1. A charitable remainder trust may be funded with cash and/or securities.
2. The minimum amount settled into the trust must be \$100,000 and the beneficiaries must be at least 19 years of age. The Board, however, has discretion to make an exception to these recommendations in special circumstances;
3. The LACGHF may perform the role of trustee;
4. An Actuary will be used to determine the fmV of the income and remainder interests of the trust. The LACGHF may issue a tax receipt for the assessed FMV of the remainder interest.
5. The trust agreement shall be either drafted by or reviewed by the donor's own legal counsel. The LACGHF shall execute no agreement until the donor's advisor has determined that the trust agreement is in the proper form and that the gift is

appropriate for the donor's situation and the LACGHF's own legal counsel has reviewed the agreement. The agreement will dictate all conditions, roles & responsibilities of all parties, conflict of interest resolutions, removal and replacement of trustees, amount and frequency of payments to the income beneficiaries, and so forth. Donors may be provided with an approved template CRT agreement to present to their financial advisers.

12. Reinsured Gift Annuities

A gift annuity is a contractual arrangement whereby a donor transfers non-registered funds in the form of cash and or listed securities to the LACGHF pursuant to an agreement authorizing the LACGHF to purchase a commercial prescribed annuity that will pay the stipulated amount for the life of the annuitant(s) or for a term of years. The minimum contribution required for the LACGHF to consider a gift annuity is \$25,000 with a maximum of 75% to be used to purchase the annuity contract. The remainder amount is eligible for a tax receipt and is retained by the LACGHF and used for purposes specified by the donor and acceptable to the LACGHF. Determination of the gift receipt and taxation of annuity payments will be in accordance with existing law and instruction from the Canadian Revenue Agency.

Guidelines

Given the complex and infrequent nature of these gifts, any offer of a reinsured gift annuity will be reviewed by the Finance Committee and the LACGHF's legal and financial advisors and may or may not be accepted. The Executive Director will prepare approved illustrations of Gift Annuities to be considered by donors and prospective donors.

13. Donor Recognition

The generosity of donors assists the LACGHF in pursuing its mission and the LACGHF is pleased to appropriately recognize their generosity.

Guidelines

- The LACGHF may honour donors through naming and recognition subject to the terms and conditions laid out in the LACGHF's Naming Policy.
- Donors have the right to remain anonymous subject to Canada Revenue Agency reporting requirements and for the purposes of issuing charitable tax receipts.

- Donor recognition shall equitably acknowledge the support of individual donors, foundations, organizations and governments.
- The extent of recognition afforded donors shall be in accordance with the value of the contribution.
- The LACGHF accepts gifts made in honor of or in memory of the donor or anyone they may wish to designate. The donor will supply the LACGHF with the name of the person honored or memorialized when the gift is made. At the donor's request, notification of the donation will be sent to a third party but the gift amount will not be disclosed unless the donor so requests.
- Gifts made by a donor on behalf of another individual are credited to the actual donor's record and tax receipts are always issued to the person who made the gift. The individual on whose behalf the gift is made will be advised of the tribute.

14. Privacy and Confidentiality

Donors' personal information will be protected and confidentiality will be respected.

Guidelines

- In executing the fund development strategy, the LACGHF adheres to the Association of Fundraising Professionals Code [OR CAGP] of Ethics and the Privacy Laws as determined by the Province of Ontario and the Government of Canada.
- All LACGHF staff, volunteers and contractors are subject to confidentiality agreements that guarantee the security and confidentiality of the LACGHF's records and proprietary information.
- The LACGHF will not sell, trade, or rent its donors lists.
- The LACGHF will only collect, use, or disclose information that is necessary for the identified purposes as is required by law and for maintaining positive donor relationships.
- The LACGHF will protect information by security safeguards appropriate to the sensitivity of the information.
- Donors and/or prospective donors may request to see their personal records.
- Donors who wish to remain anonymous and not be included in published lists of donors must state so at the time of the gift. A check box offering anonymity will be provided by the LACGHF on all donor response forms. Completion of the donation remittance form or mention of the donor's name on any correspondence accompanying the donation is deemed written permission to be included in published lists of donors.

- Donors may request and receive a complete copy of gift records to the LACGHF. Only authorized LACGHF staff and authorized members of the Board are permitted to view donor files.
- An opt-out provision to receive information from the LACGHF will be included in all donor solicitations.

15. Tax Receipts

Donations are issued receipts in accordance with the Canada Revenue Agency guidelines and the LACGHF Tax Receipts for Donations Policies as amended from time to time.

16. Amendments

These policies and guidelines may be amended at any time by a majority vote of the Board.

APPENDIX 2

Lennox & Addington County General Hospital Foundation

DONOR BILL OF RIGHTS

Philanthropy is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence, we declare that all donors have these rights (pursuant to the Association of Fundraising Professionals code of ethics):

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing Board, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be confident that mailing lists of the organization will not be shared.
9. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.