



Canadian Liver Foundation  
Fondation canadienne du foie

*Bringing liver research to life*  
*Donner vie à la recherche sur le foie*

**FUNDRAISING AND GIFT ACCEPTANCE POLICY**  
**CANADIAN LIVER FOUNDATION**  
(the "CLF")

**SECTION I**  
**INTRODUCTION**

1. **Purpose**

The purpose of this Policy is to provide staff and volunteers of CLF with general guidelines and procedures when accepting and receipting various types of gifts in accordance with the law in Canada by summarizing the general policies applicable to charitable gifts to CLF, and identifying various means of charitable giving and the specific policies related to acceptance of each type of gift.

2. **Scope**

The CLF accepts gifts in support of its charitable purposes. The CLF has established this Policy to cover all gifts received. It applies to all fundraising at CLF, including recurring donations, planned gifts, special fundraising initiatives or appeals, grants, campaigns and any arms-length bodies conducting fundraising on behalf of CLF. This policy applies to all forms of gifts to CLF, including charitable and non-charitable contributions, received from all contributors, including corporate donations and sponsorships, which are covered specifically in APPENDIX C.

This Policy is not intended to be comprehensive nor exhaustive. In situations where the application of this Policy to a particular gift is not clear, the staff of CLF may review the application of this Policy with legal and accounting advisors where necessary and seek the approval of the CLF's Board of Directors wherever appropriate. CLF will develop detailed procedures implementing this Policy, which will be set out elsewhere.

To ensure that these guidelines remain effective, they shall be reviewed periodically to update and revise according to current legislation, policies relating to CLF and with the external, charitable giving and non-profit environment.

3. **Duties of CLF and its Board of Directors**

Overall responsibility for ensuring compliance with the requirements of this Policy rests with the Board of Directors of CLF. The Board of Directors of CLF has the following duties:

- (a) to apply all funds raised to further its charitable purposes;
- (b) to comply with legal requirements involving receipting of gifts and fundraising; and
- (c) to comply with the limitations, conditions, terms of reference, directions or other restrictions imposed by donors.

## **Donor Rights and Fundraising Policies**

The CLF is committed to raising funds in a cost-effective and efficient manner while adhering to the highest standards in its relationship with donors and in its fundraising practices. It adheres to the Association of Fundraising Professionals' Donor Bill of Rights – APPENDIX F.

### **Effective Date**

The Policy is deemed to come into effect on the 1<sup>st</sup> day of January 2023, and all gifts and disbursements thereafter shall be made in accordance with the terms thereof.

### **Application of Policy**

Unless provided otherwise by the terms of a gift agreement or other document creating a fund (such as large gifts or gifts subject to restrictions and dealt with in detail in SECTION III), the terms of this Policy shall apply to any gifts received by CLF.

In the event of a conflict between the terms of any gift agreement or other document creating a fund with the terms of this Policy, the applicable terms of the gift agreement or other document shall override the corresponding terms of this Policy, provided that the balance of the Policy that is not in conflict shall continue to be in effect, where applicable.

## **SECTION II DEFINITION OF GIFT**

### **4. General Terms**

A valid gift is a voluntary transfer of property without consideration. Accepted gifts to CLF are eligible for an official charitable donation receipt that may be claimed as a non-refundable tax credit for an individual donor or tax deductions for a corporate donor on the donor's income tax return. The minimum amount to receive at tax receipt is \$20.00 unless requested.

### **5. Fair Market Value**

The duty to accurately determine the fair market value of donated property lies with CLF. The fair market value of a gift-in-kind as of the date of the donation must be determined before an amount can be recorded on an official donation receipt. If the fair market value of an item cannot be reasonably determined, a charitable donation receipt will not be issued.

Fair market value generally means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer and willing sellers, both of whom are knowledgeable, informed, and prudent, and who are acting independently of each other.

The Canadian Revenue Agency (CRA) accepts that if the fair market value of an item can be reasonably determined or is less than \$1,000, an appraisal may not be required. However, where this is not the case, one or more independent appraisals, at the expense of the donor, will be required to determine the fair market value of donated property. See (c) Determination of Fair Market Value by Appraisal.

## 6. Split-Receipting Rules

The CLF will ensure that the applicable requirements under the *ITA* and the administrative requirements of the *CRA* in relation to split receipting are complied with in issuing donation receipts to donors.

The split-receipting rules require a charity to issue a donation receipt only for the receiptable portion of a gift, called the “eligible amount” of a gift. Split receipting is the method used for calculating the eligible amount of a gift for receipting purposes when the donor has received an advantage (i.e., a consideration or a benefit) in return for the donation. To determine the eligible amount for receipting purposes, the value of the advantage must be subtracted from the value of the gift. The following requirements must be met. The onus is on CLF to ensure that all of these requirements are met. If the fair market value of the gift or the amount of the advantage cannot be ascertained, no receipt can be issued.

- (a) Voluntariness - The gift must be donated voluntarily by the donor.
- (b) Eligible amount - Only the “eligible amount” of a gift can be receipted. The eligible amount of a gift is the difference between the fair market value of the gift and the amount of the advantage. In order to ascertain the eligible amount of the gift, the charity is required to accurately determine the fair market value of the property and the amount of any advantage.
- (c) Intention to donate - The donor must have a clear intention to donate the property to the charity. If the amount of the advantage does not exceed 80% of the fair market value of the donated property, then the fact that the donor obtained an advantage from the donor charity will not necessarily disqualify the transfer from being qualified as a gift. If, however, the amount of an advantage exceeds 80% of the fair market value of the transferred property, then the donor will have the onus to prove to *CRA* that he/she has the intention to donate the property.
- (d) De minimis threshold - Where the amount of complementary advantage received by the donor is of insignificant value, *CRA* is prepared to accept an administrative de minimis threshold for the value of the benefit that is equal to the lesser of 10% of the value of the donated property and \$75.
- (e) Deeming of fair market value - Under some situations, the fair market value of the property donated would be “deemed” to be the lesser of (i) the “fair market value of the property, and (ii) the cost (or the adjusted cost base in the case of capital property) of the property to the donor immediately before the gift is made. The deeming provision does not apply to gifts made as a consequence of a taxpayer's death; gifts of inventory; gifts of real property situated in Canada; gifts of certified cultural property (special valuation procedures apply); and gifts of certain publicly traded securities.

## 7. Non Gifts

The following transactions do not constitute a “gift”, are not eligible for official charitable donation receipts and will not be accepted by CLF as charitable gifts:

- (a) a donation that does not meet all of the requirements for a gift as set out in Section II (4) or not comply with the split-receipting rules in Section II (6);
- (b) a donation that is not a gift as set out in Section II (7);
- (c) a pledge which is not received by CLF;
- (d) a donation of service (including donated time and labour);
- (e) the purchase of an item or service by CLF;
- (f) the payment of event sponsorship fees;
- (g) a payment provided in exchange for advertising;
- (h) a loan to CLF (including loan of funds and property);
- (i) the provision of free use of property;
- (j) an amount which is court ordered or otherwise compelled;
- (k) the payment of a fee for admission to an event or program of CLF;
- (l) the payment for a lottery ticket or other chance to win a prize;
- (m) a gift-in-kind for which the fair market value cannot be determined;
- (n) gifts of promises (for example, gift certificates donated by the issuer, hotel accommodation); and
- (o) the use of a timeshare.

### **SECTION III GIFT ACCEPTANCE PRINCIPLES**

## 8. General Terms

CLF has a donor-centered approach to its fundraising programs. It is the policy of CLF to provide appropriate acknowledgement and recognition for all gifts made to CLF. Donor recognition principles are set out in Section IV (31).

CLF encourages and solicits contributions of cash and near cash and gifts-in-kind (including publicly listed securities, real estate and other personal property). CLF also accepts planned gifts including life insurance, bequests and registered retirement plans. A gift may be made on an outright basis to CLF, or the donor may direct CLF to hold the gift in a fund. The gift may be unrestricted or contain restrictions. There may also be other types of planned gifts accepted by CLF.

CLF does not, directly or indirectly, pay finder’s fees, commissions or percentage compensation based on contributions.

9. **Authority to Accept Gifts**

Any member of CLF's volunteers and staff may accept gifts of cash or near cash that are not subject to any restrictions (see APPENDIX C policy on Corporate Relationships, Donations and Sponsorship). CLF may elect to accept or decline any gift and the final decision on such shall be at the discretion of the Chair of the Board and the President and CEO or designate. All Fund Development staff of CLF are authorized to negotiate gift agreements with prospective donors up to \$25,000, any amount greater than \$25,000 must be in consultation with the Chair of the Board and President & CEO. Final documents are to be signed by the Chair of the Board and President and CEO, and any one of CLF Management.

Notwithstanding the foregoing, the prior approval of the Board of Directors may be sought before accepting any gifts if the nature of the gift may raise concerns regarding the reputation of CLF or particular restrictions on the gift may give rise to some risk.

10. **Issuing Donation Receipts**

The issuance and management of official donation receipts by CLF shall be in accordance with the requirements of the *Income Tax Act (ITA)* and CRA. In order to issue an official donation receipt, CLF will determine whether or not the donation constitutes a gift, who the donor is, and the eligible amount of the gift for receipting purposes. Each official donation receipt must contain the information required by the *ITA* and CRA. CLF will guard against the unauthorized use of official donation receipts.

In order to ensure the accuracy of the official donation receipts issued by CLF, CLF reserves the right to inquire of its donors and obtain assurance from them, either verbally or in writing as may be appropriate, concerning circumstance surrounding the gifts that may be relevant for the purpose of the issuance of official donation receipts and in determining the correct eligible amount for the gift.

Official donation receipts will not be issued for gifts received from other registered charities. However, the gift may be acknowledged by way of a letter or ordinary receipt - one that does not state that it is an official receipt for income tax purposes. Before any gifts are received from other registered charities, the donor charity will be required to advise CLF whether the gift is a restricted gift, and if so, to provide CLF with full particulars of the restrictions.

11. **Gift Agreement**

In general, with respect to gifts that are subject to restrictions imposed by the donor, or gifts over \$10,000 and gifts of real estate, CLF will request donors to enter into gift agreements with CLF to evidence the gift and set out the terms of any restrictions on the gift. The CLF will also enter into pledge agreements with donors with respect to gifts to be made over a period of time CLF has established template gift agreements. All gift agreements that do not follow CLF's templates will be reviewed by CLF's legal counsel where necessary.

12. **Gifts Subject to Donor Restrictions (Including Endowments)**

- (a) Types of Restrictions - It is possible for a donor to impose certain restrictions to be attached to a gift when the gift is made. Examples of restrictions may include restrictions on use (the purpose for which a gift is to be used), restrictions on time (when a gift may be used, when the capital may be used, when the income may be used), restrictions on management (how to manage the investment and application of

income or growth of a gift), restrictions on location (where the gift may be used, a specific province or Chapter office) etc. CLF reserves the right to impose an administrative fee of up to 15% on restricted gifts, at its discretion and/or be entitled to some or all of any realized and unrealized earnings arising from investment of such gifts until the funds have been disbursed.

- (b) Unrestricted Gifts - A gift that is not subject to donor restrictions will be held by CLF as an unrestricted fund to be applied towards the general charitable purposes of CLF in the sole discretion of the Board of Directors.
- (c) Restrictions Imposed When the Gift is Made — It is a legal requirement that restrictions must be imposed at the time when the gift is made. A donor cannot impose restrictions or remove the restrictions after the gift has been made. If the restrictions are only intended to be in force for a period of time and be removed after the expiry of the period, this would also need to be set out at the time when the gift is made. If the need for the program or project to which a restricted gift has been designated is deemed to have been met, or CLF determines that the program or project cannot be completed for any reason, then CLF may seek the donor's (or donor's legal designate's) permission to and in consultation with the donor or representative, re-designate the gift to another purpose that fits within CLF's mission and priorities. CLF shall use its best efforts to ensure that such re-designated purpose is as much in keeping with the donor's original intent for the funds. If the donor is deceased or legally incompetent and CLF is unable to contact a legal designate, the donation will be used in a manner that is consistent as possible with the donor's original intent. If necessary, CLF will apply to the courts or the appropriate regulatory body to obtain legal authorization to use the donation for other purposes.
- (d) Obligations to Comply with Restrictions - The Board of Directors of the CLF are committed to fulfill their fiduciary duty under common law to comply with the limitations, conditions, terms of reference, directions or other restrictions imposed by donors.
- (e) Restrictions in Writing and Fund Documents - All restrictions that a donor desires to be imposed on a gift must be set out in a gift agreement and approved by CLF before the gift is accepted. The CLF will review the restriction in order to ensure that it is able to comply with the restriction and to clarify its duties in fulfilling the restriction. That being said, CLF will consider only those restrictions that will not be unreasonably difficult to administer. The agreement will also generally contain a clause to provide CLF with the power to vary the restriction in the event that it becomes impossible or impractical for any reason to fulfill.
- (f) Gift Agreements — All gift agreements for restricted gifts shall be signed by the President and CEO, and CLF Management on behalf of CLF, unless otherwise directed by the Board of Directors.
- (g) Types of Donor Restricted Funds with Time Restrictions — There are two types (1) Perpetual Endowment Funds and (2) Long Term Funds as further described below.
- (h) Perpetual Endowment Funds - A donor may impose a restriction to establish a perpetual endowment fund by requiring the capital of the fund donated to CLF to be held in perpetuity, with the income to be used at the discretion of the CLF's Board of Directors or for a specific purpose designated by the donor.

- i. The CLF will not be permitted to disburse the corpus of the endowment fund in perpetuity. Should CLF be wound up, the perpetual endowment fund would need to be transferred to another Canadian registered charity, which would be required to continue holding the perpetual endowment fund in perpetuity, and applying the income (which will include realized capital gains on a total return investment strategy, subject to the wording of any applicable gift agreement) from the perpetual endowment fund in accordance with the restrictions imposed by the donor when the fund was first established.
  - ii. A donation of at least \$100,000 is required in order to establish a perpetual endowment fund at CLF.
- (i) Long Term Funds - A donor may establish a fund with the capital to be held for a long period of time, rather than to be held in perpetuity. Such a fund will be referred to as a “long term fund”, not an “endowment fund”. The income (which will include realized capital gains on a total return investment strategy, subject to the wording of any applicable gift agreement) will be used at the discretion of CLF or for a specific purpose designated by the donor. The CLF will not be permitted to disburse the corpus of the long-term fund for the period of time designated by the donor. At the end of this period, the corpus may be disbursed in accordance with the restrictions imposed by the donor. Should CLF be wound up before the expiry of this period, the long-term fund would need to be transferred to another Canadian registered charity, which would be required to continue holding the long-term fund until the expiry of the said period and applying the income from the long term fund in accordance with the restrictions imposed by the donor when the fund was first established. A donation of at least \$25,000 is required in order to establish a long-term fund at CLF.
- (j) Naming - Funds may be “named” by the donor, provided that the name is acceptable to CLF. Such naming shall be subject to any naming policy of CLF in place from time to time and will outline the length of the Fund and its name.
- (k) Fund Documents and Guidelines - Every Perpetual Endowment Fund and Long-Term Fund shall have specific documents and guidelines detailing the restrictions on the fund in writing as set out above. In addition, the document shall also contain a record of all communications with donors, contact information of donors to permit continued compliance with the wishes of the donor and for stewardship purposes.
- (l) Investment - Funds held by CLF are to be invested in accordance with CLF’s investment policy (including a total return investment strategy, subject to the wording of any applicable gift agreement) and subject to the Ontario Trustee Act, unless there are specific requirements imposed by the donor (including provisions in a Will testament, gift agreement, etc.)

### 13. **Donor Advised Funds**

After having made a gift, it is not permissible at law for the donor to continue having any aspect of control over how CLF deals with the gift; otherwise the continued control of the donor over the gifted property might defeat the gift. However, it is possible for the donor to provide non-binding advice to CLF regarding the distribution, management or other matters concerning the gift, provided that the advice provided by the donor is not binding on CLF. Such a gift is commonly referred to as a “donor-advised fund.” The primary concern with donor-advised

funds is that, if too much control is retained by the donor, the donation will not be considered to be a gift at law.

A donor who wishes to provide advice to CLF with respect to a gift will be required to establish the gift as a donor advised fund and to enter into a gift agreement with CLF to set out the terms of reference of the gift and how advice may be provided to CLF by the donor from time to time.

#### 14. **Gift Acknowledgement**

The CLF will provide appropriate acknowledgement and recognition for all gifts made to CLF. Specifically, all donors are to be sent gift acknowledgement letters and receipts within a reasonable interval. When appropriate, donors may be given tokens of appreciation not to exceed requirements in the *ITA* and of CRA. Where appropriate, the gift acknowledgement may be accompanied by an official tax receipt. Correspondence prepared and issued by CLF together with an official tax receipt shall be deemed to be official acceptance and acknowledgement of the gift.

#### 15. **Stewardship**

Stewardship is different from recognition in that it represents the legal obligation of CLF to manage and use the gifts as intended by the donors. CLF's goal of stewardship is to maintain an ongoing relationship with donors to ensure they are satisfied with the handling of their past gifts and to encourage them to make future gifts. Stewardship of the donor includes thoughtful communication to the donor on the impact of their gift(s). In consideration of each individual donor's specific needs and wishes, stewardship may include:

- (a) the chance to meet the recipient of their gift, such as an awarded Researcher or Doctor with a fund set by a donor;
- (b) a formal financial reporting on the status of the endowment and its growth/use; or
- (c) a formal report on the impact, where meeting the recipient is not possible/desirable.

#### 16. **Determination of Fair Market Value by Appraisal**

Where the fair market value of a donated property (e.g., gifts-in-kind, private securities and other business interests, real estate, etc.) needs to be determined by an independent appraisal, the following procedure will be followed:

- (a) The appraiser must be:
  - i) a qualified professional appraiser, valuator or other individual who is accredited in the field of valuation who:
    - 1) is knowledgeable about the principles, theories, and procedures of the applicable valuation discipline and follows the Uniform Standards of Professional Appraisal Practice or the standards of the profession; and knowledgeable about the elements of a properly prepared and credible valuation report; and
    - 2) has expertise in the property that is being appraised; and is knowledgeable

about and active in the marketplace for the specific property; and

- ii) is independent (i.e., not be associated with the donor, CLF, or another party associated with the purchase, sale, or donation of the property).

The appraiser will be required to provide an appraisal report to CLF. The appraisal or evaluation report should be based on the principles, theories, and procedures of the applicable valuation discipline and follow the standards of the profession. The report has to be an estimate of the fair market value of the property as of the date of donation.

- (b) For gifts greater than \$50,000 CLF will seek a minimum of two independent appraisals. Where two appraisals are obtained, and if the discrepancy between the two appraisals is less than 10%, THE CLF will take the average of the two. Where the discrepancy is greater than 10%, CLF will take the lower of the two or the donor may choose to have a third appraisal. In the latter instance, CLF will take the average of the three appraised values to be the fair market value.
- (c) If a property is appraised, the name and address of the appraiser will be included on the official donation receipt.
- (d) All appraisals shall be at the cost of the donor, unless otherwise agreed to by CLF.

#### 17. **Determination of Costs of the CLF**

Proposed gifts of property and gifts-in-kind will be evaluated to determine whether the costs to CLF associated with receiving or managing the gift can be accommodated prudently.

Such evaluations might include the possible cost of transportation of the gift to CLF, storage costs while making adequate space available, cost of maintenance, repair and insurance and cost of disposal. For example, accepting real property might require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to ensure safety or to control environmental hazards. Similarly, the cost to retrofit space and provide necessary utilities associated with a proposed gift may be deemed excessive. Occasionally, associated costs might weigh against the acceptance of a gift.

For gifts-in-kind, the following documentation may be required: the donor's letterhead or other standard documentation such as a catalogue or published price list giving the value and description of the equipment or products, usually including product identification numbers; any terms of the donation; and a packing slip or other paperwork to verify receipt of the gift. If adequate documentation is not available, a qualified appraisal must be submitted for any gift-in-kind.

#### 18. **Anonymous Donors**

The CLF will respect and observe the wish of a donor to remain anonymous with respect to gifts made to CLF, both with respect to being publicly identified as a supporter of CLF and having the amount of their contribution disclosed. However, CLF reserves the right to disclose the identity of the donor and the type and value of the gift where it is required to do so at law.

## 19. Pledges

- (a) Pledges are commitments by donors to donate a gift (usually cash or non-cash gifts) according to a fixed time schedule.
- (b) Pledges are not gifts until the pledged property is received by CLF. Pledges are, in general, not enforceable at law.
- (c) All pledges must have written documentation that contains the following:
  - i) a clearly specified amount of the pledge in the case of cash or non-cash gifts; or a clearly specified identification of the property pledged;
  - ii) a clearly defined payment/donation schedule;
  - iii) there shall be no contingencies or conditions; and
  - iv) the donor must be considered to be financially capable of making the gift.
- (d) Upon confirmation of the receipt of a gift of a pledged gift, CLF will issue a tax receipt for the eligible amount of the gift based on the fair market value of the gift. For greater certainty, only fulfilled installment payment of pledges may be received by CLF. Unfulfilled installment pledge payments do not qualify for receipts.

## 20. Planned Gifts

The CLF encourages donors to make planned gifts. Planned gifts are generally gifts or commitments made in the present with the benefit to CLF, “deferred” until a future date. However, planned gifts may include outright gifts of appreciated property (securities and real estate) or gifts of tangible personal property. As such, making planned gifts is not a “type of gift”, but is a method of giving. The CLF’s acceptance policy in relation to planned gifts is set out in this Policy depending on the nature of the gifted property.

## 21. Donation of Services

Contributions of services (i.e., time, skills, and effort) are not property. Therefore, official donation receipts will not be issued by CLF for services provided free of charge or for an invoice marked “paid.”

However, an official donation receipt may be issued if a person provides a service to CLF, CLF pays for the service, and the person then returns the payment to CLF voluntarily as a cash gift. In such circumstances, two transactions will need to take place: (1) the provision of a service and the payment for the services provided; and (2) the making of a cash gift by the service provider. These two transactions will need to be conducted by way of an exchange of cheques to ensure the presence of an audit trail, as the donor must account for the taxable income that would be realized either as remuneration (in which case the charity may also be required to issue a T4 slip) or as business income. A copy of the invoice issued by the service provider will be retained by CLF on file.

## 22. **Pass through Gifts**

The CLF will not act as a conduit for funds to third parties to which Canadian donors could not directly make a gift eligible for tax relief. As such, official donation receipts will not be issued for gifts that the donor requires to be forwarded to an organization that is not a “qualified donee.” Otherwise, CLF may run the risk of being subject to sanctions and penalties and having its charitable registration revoked.

A donor may not direct that funds be given to specific individuals that are not qualified donees except when CLF’s mandate specifically contemplates the type of fundraising that would benefit those individuals (such as CLF’s fundraising event for victims of a particular flood or fire).

The CLF will not issue an official donation receipt if a donor has directed CLF to give the funds to a specified person or family member. In reality, such a gift is made to the person or family and not to CLF. However, donations subject to a general direction from a donor that the gift be used in a particular program operated by CLF are acceptable, provided that any benefit that may accrue to the donor or any person not dealing at arms’ length with the donor does not exceed the limit permitted under the split-receipting rules, and decisions regarding utilization of the donation within a program rest with CLF.

## 23. **Anti-Terrorism Issues**

The CLF does not permit any form of terrorist, corruption or money laundering activities or support for such activities or groups involved in such activities. As well, CLF will guard itself in reasonably limiting any possibility that it might become associated with terrorism, corruption or money laundering and to respond appropriately if it becomes aware of any possible connection with such activities. All donors and gifts shall be subject to review under the process outlined in CLF’s Policies in place from time to time, if any.

The CLF does not accept donations from donors who are involved or appear to be involved in terrorist, corruption or money laundering activities or groups or financing or facilitating terrorist, corruption or money laundering activities or groups. Under that circumstance, the donation shall be returned to the potential donor along with a brief explanation that CLF is unable to accept the gift. The CLF shall keep a copy of the documentation, concerning the donation, on file.

## 24. **Conflict of Interest**

Donor interest and well-being will take priority in gift negotiation. If an individual presents himself/herself as a representative of CLF and attempts to sell to a donor any financial or other products related to a donation, such a person must declare a potential or actual conflict of interest to both the donor and CLF. As well, the donor will be requested to provide an acknowledgement of having been advised of such by the said individual and of the donor’s intention to continue to make a gift to CLF. If the individual presents himself/herself as a representative of an outside firm and part of this person’s financial counselling involves arranging a gift to CLF, then no conflict exists.

## 25. **Confidentiality**

The CLF will keep all information, data, or other communications with donors strictly confidential in accordance with its privacy policy in place from time to time. However, CLF reserves the right to disclose such information where it is required to do so at law.

26. **No Persuasion or Pressure**

The CLF does not permit any employee, volunteer or person representing CLF to use pressure on a donor in securing any gift. The CLF honours donors' and prospective donors' requests to limit the frequency of solicitations, not be solicited by telephone or other technology, and receive printed material concerning CLF. The CLF will discontinue solicitations where it becomes apparent that they are unwanted or a nuisance.

27. **No Advice to Donors**

The CLF does not provide any legal, accounting, tax or financial advice to donors with respect to gifts to CLF. Donors are encouraged and recommended to seek his/her own independent legal, accounting, tax or financial advice from professionals. Where necessary, donors will be requested to provide CLF with an acknowledgement that (i) he/she has obtained independent professional advice; or he/she has been advised by CLF to obtain independent professional advice and has waived obtaining such advice; and (ii) CLF is released from any liability that may arise in relation to the making of the gift by the donor. Donors are responsible for all costs incurred in relation to obtaining such independent professional advice.

28. **Legal Advice to the CLF**

The CLF reserves the right to seek legal advice in relation to the negotiation, acceptance, receipting and management of gifts where necessary.

29. **Declining a Gift**

The CLF reserves the right to decline a gift in any circumstance, including for the following reasons:

- (a) the gift does not meet any requirements set out in this Policy;
- (b) there are features to or restrictions of the gift that do not accord with CLF's charitable purposes;
- (c) the gift could jeopardize the charitable status of CLF;
- (d) the gift does not provide CLF with any benefit whatsoever;
- (e) the gift exposes CLF to liability or unacceptable risk;
- (f) the donor applies unacceptable restrictions, conditions or control over the gift;
- (g) the gift will be difficult to administer;
- (h) the donated property does not constitute a "gift" at law as referred to in Section II (7);
- (i) the gift or terms of the gift are illegal, discriminatory or violates any federal, provincial or municipal laws or regulations;
- (j) the CLF is unable to honour the terms or restrictions of the gift;
- (k) the gift may compromise CLF's integrity or interfere with CLF's judgment;
- (l) the gift may require any action on the part of CLF which is unacceptable to CLF or violates CLF's policies and regulations;

- (m) the gift requires or stipulates the future employment at CLF of any specified person or doing business with any specified company or person;
- (n) the gift is for a partial interest in property, unless CLF agrees otherwise;
- (o) the gift is financially unsound or could expose CLF to liability or embarrassment;
- (p) the donor relies on an appraisal or evaluation provided to the donor by third parties, that is perceived by CLF to be inaccurate or unreliable;
- (q) an appropriate fair market value of the property donated or the advantage received by the donor cannot be determined, or will result in unwarranted or unmanageable expense to CLF in determining such value, or the donor does not agree with the value determined by CLF;
- (r) the gift could improperly benefit any individual that is not permitted under the *ITA* or by CRA;
- (s) the gift is made by an individual, corporation or organization whose philosophy and values are inconsistent with the overall philosophy and values of CLF; or
- (t) where the donor requires a donation receipt issued by CLF shortly after the donation is made or within a certain time frame, but the gift could not be assessed, processed and donation receipt issued in accordance with the requirements of the *ITA* within the time frame requested by the donor.

### 30. **Returning a Gift**

In general, once a gift has been received by CLF and an official donation receipt issued, the property becomes a charitable asset and cannot be returned to the donor at law. Nevertheless, if a gift is returned to a donor for whatever reason, the following will need to be followed in accordance with the policy of CRA: a revised receipt will be issued to the donor and a copy of the revised receipt will be sent to CRA when the amount of the returned property is more than \$50. An information return will also be filed with CRA within 90 days after the day the property is returned if an official donation receipt was issued for the original property, and if the returned property has a fair market value of more than \$50<sup>1</sup>. Where necessary, legal advice may be sought.

## **SECTION IV DONOR RECOGNITION**

### 31. **Rationale for Recognition**

It is the policy of CLF to provide appropriate acknowledgement and recognition for all gifts made to CLF. Donor recognition guidelines and processes are based on donors' needs and wishes, and allow the flexibility required to respect the individuality of the donor, the donation, and CLF's needs and charitable purposes. The key purpose of donor recognition is to sincerely show respect for, and appropriate gratitude to, donors who support CLF. The following is designed to ensure

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<sup>1</sup> [CRA, Qualified Donors – Consequences of returning donated property guidance, CG-016I](#)

donors, and prospects, are treated in a timely and consistent manner, thereby building a loyal and mutually rewarding relationship.

### 32. **Objectives of Recognition**

Through these recognition policies, CLF hopes to:

- (a) Create and nurture positive relationships with donors and their families;
- (b) Establish accountability, which illustrates to donors how their contributions assist CLF in achieving its overall objectives and goals;
- (c) Cultivate existing donors, which encourages them to reach higher levels of giving;
- (d) Develop a centralized approach for donor recognition and stewardship within a coordinated and centralized framework;
- (e) Ensure that clearly stated guidelines of recognition are applied at all times; and
- (f) Affirm donor's action of giving and ensure their satisfaction surrounding their decision to support CLF.

### 33. **Recognition Principles**

CLF's recognition will constantly strive to ensure the following:

- (a) Keep within the character of CLF — build relationships, achieve results, and realize potential;
- (b) Deliver a simple thank you — with nothing else to detract from the sincerity of the message;
- (c) Personal contact as much as possible;
- (d) Customized message as much as possible — speak to donors as individuals.
- (e) Economical in execution to respect the wishes of donors;
- (f) Timely — it is CLF's goal to send appropriate acknowledgement to donors in a timely manner.

Recognition mechanisms created in respect of a gift shall not be arbitrarily changed or withdrawn. Unless otherwise negotiated at the time of the gift or changed through a joint agreement between CLF and the donor or the donor's family or legal representative, the original form of the recognition mechanism will be maintained. If the mechanism cannot be physically retained, it will be changed to another consistent with the original agreement. If continuation of the recognition creates a reputational risk for CLF, it may be terminated or altered.

### 34. **Statement of Responsibility**

- (a) Recognition is based on gift levels set by CLF. Specific recognition requirements requested by a donor will be assessed on an individual basis and will be subject to CRA

requirements and assessment by the President & CEO and CLF Management of the suitability of the recognition requested.

- (b) No benefit will be provided to the donor or the donor's designee, unless the benefit is of nominal value. Nominal value is clearly defined in CRA regulations: "a benefit has a nominal value if its fair market value (FMV) is not greater than 10% of the gift, or \$75 CDN, whichever is the lesser."
- (c) CLF will receipt all donors in accordance with CRA guidelines.
- (d) CLF will receipt, acknowledge and recognize where appropriate individual donations and will acknowledge and recognize where appropriate corporate partners, event donors, institutional funders, foundations, government funders and other charities.
- (e) Public recognition in printed materials or in public space outside of CLF will be mutually agreed upon between the donor and CLF.
- (f) CLF agrees to respect and strictly observe a donor's wish for anonymity in lieu of public recognition.
- (g) No agreement relating to recognition will be accepted which may jeopardize the charitable status of CLF.
- (h) In all matters involving recognition, the interest and integrity of CLF must take priority. In the appearance of potential conflict of interest, those acting on behalf of CLF must declare the conflict and allow someone else to act for CLF.
- (i) CLF reserves the right to revoke any recognition or naming rights if, in the reasonable opinion of CLF, the recognition or naming right may cause prejudice or embarrassment to CLF, including but not limited to situations where the donor is involved in any criminal investigation, charges or conviction.

### 35. **Naming**

The CLF welcomes the opportunity to name activities or property to honour those who have rendered outstanding service to CLF or to honour individuals whose generous philanthropic benefactions make possible the construction or restoration of buildings, the establishment of endowed chairs, or the development of programs. Such naming shall be subject to conditions established in the Naming Policy (APPENDIX B) or any further naming policy of CLF in place from time to time.

## **SECTION V TYPES OF GIFTS**

### 36. **Near Cash and Cash**

The CLF accepts gifts of near cash. Gifts of "near cash" may include cheque, money order and credit card. The CLF can accept cash gifts on rare occasions and will continue to encourage near cash gifts instead. The following terms apply to acceptance of such gifts:

- (a) Following receipt of the gift, CLF will issue to the donor an official charitable donation

receipt for the amount of the gift in accordance with CRA guidelines.

- (b) A gift by credit card is considered to have been made on the date the donor authorized the charge to the credit card.

37. **Publicly Listed Securities**

Donations of publicly listed securities do not give rise to a capital gain for the donor, which provides a substantial incentive for such donations. Common publicly listed securities include:

- (a) a share, debt obligation or right listed on a prescribed stock exchange;
- (b) a share of the capital stock of a mutual fund corporation; and
- (c) a unit of a mutual fund trust.

The following terms apply to acceptance of such gifts:

- (a) The CLF generally accepts gifts of publicly listed securities that have an active secondary market, are not subject to a volatile market, and can be readily converted into cash within a reasonable period of time after having received the gifts. Donors shall bear transfer costs when transferring securities to CLF. Donations of public securities are normally transferred electronically. Electronic transfers can take up to several days to complete depending on the procedures used by the brokerages involved. The date of a gift of electronically transferred shares is the date the shares are received in CLF's account. The fair market value of the shares may have dropped between the date of transfer and the date the shares are received in the charity's account. Any such loss is borne by the donor.
- (b) A donation of public securities may also be made by transfer of the share certificate. Share certificates should be hand-delivered to CLF or sent by registered mail or courier. The date of the gift will be the date the share certificates are delivered to CLF and accepted by CLF.
- (c) In general, the value of the securities will be the closing bid price of the share on the date of the gift as set out above. When unusual circumstances are involved in a gift, an independent appraisal may be required to determine the fair market value. As well, a gift agreement with the donor will be required to set out the method of valuation used, a price adjustment clause should an issue arise with CRA with respect to the valuation, and that the donor will be responsible for the cost of the appraisal.
- (d) In general CLF's policy is to liquidate gifts of securities as soon as possible after receipt.
- (e) Upon confirmation of the receipt of a gift of publicly listed securities, CLF will issue a tax receipt for the eligible amount of the gift based on the fair market value of the securities.

38. **Gifts-in-Kind**

Gifts-in-kind refers to a gift of property other than cash or near cash. Acceptance of some gifts-in-kind are subject to special considerations and are specifically referred to in other sections of this Policy, including life insurance, publicly listed securities, real estate, etc. The acceptance of other gifts-in-kind is governed by this section, including gifts of precious metals, jewelry,

artwork, books, artwork or art collections, equipment, software, or other property. The following terms apply to acceptance of such gifts:

- (a) The CLF accepts gifts-in-kind that are in reasonable condition and meet other criteria set out in this Policy. The CLF reserves the right to display or store the gifted property, use the property for fundraising purposes, or sell it and apply the proceeds towards the charitable purposes of CLF.
- (b) The ready marketability of the property and the carrying costs will be considered by CLF before accepting a gift. The CLF reserves the right to secure its own appraisal and issue a gift receipt based on it.
- (c) Before accepting a gift-in-kind, CLF will undertake such due diligence steps as it determines necessary.
- (d) Costs such as legal fees and appraisals will be the responsibility of the donor.
- (e) A charitable donation receipt will be issued for the eligible amount of the gift on the date of donation based on the fair market value of the property.

39. **Real Estate (Outright Gift, Residual Interest)**

Gifts of real estate include single family dwellings, condominiums, apartment buildings, office buildings, land and farms. Gifts of real estate may be made in the following ways:

Outright gifts: Residual interest in a property - where a property (such as the donor's principal residence or family cottage) is conveyed to CLF, with the donor retaining the use of the property for the donor's lifetime or for a period of time; To fund a charitable remainder trust.

Gifts of charitable remainder trust are addressed in Section V (41). The following terms apply to acceptance of outright gifts of real estate and residual interest in a property:

- (a) Although CLF welcomes gifts of real estate, the acceptance of gifts of real estate without conducting the necessary due diligence could expose CLF to significant liability.
- (b) The ready marketability of the property and the carrying costs will be considered by CLF before accepting the gift. Various factors, including zoning restrictions, environmental factors, marketability, current use, and cash flow will be taken into account to ascertain that acceptance of the offered gift is in the best interests of CLF.
- (c) In general, CLF will require the donor to enter into a gift agreement with CLF for gifts of real estate setting out the terms of the gifts.
- (d) Before accepting a gift of real estate, CLF will undertake such due diligence steps as it determines necessary, including: obtaining an up-to-date survey; conducting a full title search and other necessary off-title searches; conducting a home inspection of the property; ensuring title to the property is good and free from all registered restrictions, charges, liens, and encumbrances; being satisfied that no persons have any claim or interest in the property; conducting an environmental inspection of the property etc, where applicable.

- (e) All gifts of real estate shall be evaluated in light of the need for an environmental audit whose cost shall be borne by the donor. A qualified environmental professional will be hired to conduct the audit.
- (f) All gifts of real estate shall require independent appraisal in accordance with Section V (41).
- (g) Where it is a gift of residual interest in a property, CLF will undertake additional due diligence steps as it determines necessary, including ensuring the donor has clear title to the property being donated; ensuring there are no other rights that anyone has with respect to the property, other than the donor retaining the use of the property; the donor agreeing to take proper care, maintenance, up-keep and insurance (as well as all related expenses) of the property during the period of time when the donor retains the use of the property, etc.
- (h) Costs such as title searches, legal fees, appraisals and real estate fees will be the responsibility of the donor.
- (i) The CLF reserves the right to retain the property or sell it and apply the proceeds towards the charitable purpose of the gift. In general, it is CLF's policy to sell real estate in a prudent and timely manner after having received title in situations involving outright gifts, or after the termination of the donor's interest in the property in situations involving gifts of residual interest. In rare exceptions, the property may be retained for investment purposes or for use in accordance with the charitable purposes of CLF.
- (j) For an out-right gift, a charitable donation receipt will be issued for the eligible amount of the gift on the date of donation based on the fair market value of the property. For a gift of residual interest, the eligible amount of the gift will be issued on the date of donation based on the present value of the property taking into consideration the interest retained by the donor.

#### 40. **Life Insurance**

Gifts of life insurance may be made to CLF by irrevocably assigning the ownership and beneficiary rights of a paid-up life insurance policy to CLF, by irrevocably assigning the ownership and beneficiary rights of a life insurance policy to CLF on which premiums remain to be paid and by naming CLF as a beneficiary of a life insurance policy. The following terms apply to acceptance of such gifts:

- (a) When a life insurance policy is irrevocably assigned to CLF, CLF becomes the legal owner of the gifted life insurance policy. All consents required under provincial regulations to be signed to change a beneficiary must also be signed before it is a completed gift.
- (b) If an assigned policy is not yet fully paid-up, the acceptance of the assigned policy shall be conditional upon CLF not having any liability to the insurance company or to the donor with respect to the payment of future premiums, unless otherwise agreed to by CLF in advance.
- (c) If an assigned policy is not yet fully paid-up, CLF shall require assurance from the donor that he/she will continue to make donations towards paying future premiums (for which the donor would be entitled to charitable donation receipts as explained

below), unless otherwise agreed to by CLF in advance.

- (d) If an assigned policy lapses for non-payment prior to maturity because the donor fails to provide for premium payments, CLF may:
  - i) Continue to pay the premiums;
  - ii) Convert the policy to paid up insurance; or
  - iii) Surrender the policy for its current cash value.
- (e) The receipting of gifts of life insurance shall be as follows:
  - i) Where the assigned policy is a fully paid-up life insurance policy, CLF may issue a charitable donation receipt for the eligible amount of the policy's value (i.e., its cash surrender value less any loan outstanding on the policy). When determining the eligible amount of a policy's value, the following factors will need to be considered: (a) cash surrender value; (b) the policy's loan value; (c) face value; (d) the state of health of the insured and his/her life expectancy; (e) conversion privileges; (f) other policy terms, such as term riders, double indemnity provisions; and (g) replacement value. Generally, only a whole life or universal life policy will have a cash surrender value. A term life insurance policy cannot be fully paid-up and the cash surrender value would be nil. The cash surrender value for a new insurance policy would also be nil.
  - ii) Where the assigned policy is not yet fully paid-up, CLF may issue a charitable donation receipt for the eligible amount of the policy (i.e., its cash surrender value less any loan outstanding on the policy). The various factors mentioned above will need to be considered when determining the eligible amount. Where the policy assigned is a term life insurance, the cash surrender value is nil.
  - iii) In addition, if the policy is not yet fully paid-up, CLF may issue a charitable donation receipt for donations for the eligible amount of the premium paid, regardless of whether the payment is made directly to the insurance company or to CLF, which would in turn pay the premium.
  - iv) Where CLF is named as a beneficiary of a life insurance policy, CLF may issue a charitable donation receipt when CLF receives the insurance proceeds upon the death of the insured. No charitable donation receipt may be issued upon naming CLF as the beneficiary or for premiums paid for such a policy.

#### 41. **Bequests**

A bequest is a provision in a Will, directing a gift of property from an estate to be paid to CLF. There are several types of bequests accepted by CLF:

- (a) A specific bequest - a gift of a specific sum of money or a specific property, such as real estate or securities
- (b) A residual bequest — a gift of all or a percentage of the residue of the estate after having paid gifts to other beneficiaries under the estate

- (c) A contingent bequest — a gift of all or a share of the estate in the event of the prior death of certain other beneficiaries or in the event of certain conditions having been met
- (d) A residual bequest subject to life interest — a gift of property following the death of certain other beneficiaries who have use of the property in the estate during their lifetime.

The following terms apply to acceptance of such gifts:

- (a) Disclaimer: Disclaimer language to include with any sample bequest language provided to donors. This information is provided solely for the interest of friends and donors to CLF. However, Canadian Liver Foundation is not a source of legal, tax or financial advice and the information set out should not be relied upon as a substitute for professional advice. While every effort has been made to ensure accuracy, the information set out herein may not apply in all situations or provinces (especially Québec). You are encouraged to discuss your Will provisions and language fully with your own lawyer (or notary), who needs to draft your Will for you.
- (b) A bequest in the appropriate amounts can be used to create a fund if appropriately provided in the Will and would be subject to the fund terms set out in this Policy.
- (c) Donors are invited and encouraged to provide information to CLF about their bequest and, if they so choose, to send to CLF a copy of the relevant section of their Will. The CLF encourages donors to disclose their bequest intentions to CLF ahead of time in writing to ensure that CLF is able to carry out their wishes and that the gifts conform to the principles stated in this Policy.
- (d) If there is a gift from the estate of a deceased donor that does not meet the principles of this Policy, that decision will be communicated to the legal representative of the estate. Attempts will be made to achieve a mutually acceptable gift agreement between both parties where possible.
- (e) Any legal, accounting, or other professional fees borne by CLF in receiving the bequest from the estate of the donor will be deducted from the gift received.
- (f) The CLF does not provide any legal, accounting, tax or financial advice to donors in the preparation of their Will, or become involved in the execution or witnessing of a Will in which CLF is named as beneficiary. CLF's staff or CLF may not be named as executor in a donor's estate. CLF recommends that donors consult legal and tax professional advisors before completing a Will.
- (g) During the probate of estates containing a bequest to CLF and during the post-death administration of testamentary trusts containing dispositive provisions benefiting CLF, CLF's Director, Fund Development, in consultation with CLF's legal counsel, shall represent CLF in all dealings with the lawyer and executor of the estate. The CLF will exercise due diligence that the terms of the will are abided by, gifts made to CLF are received in a timely manner, and the interests of CLF are maximized.

- (h) The CLF may decline the bequest if, in the discretion of CLF, the legal, accounting, or other professional fees associated with administration of the estate exceeds the amount of bequest. The CLF may also decline a bequest involving an estate that has not been properly administered, and its trustees not having received appropriate compensation.
- (i) Following receipt of the bequest, CLF will issue to the estate a charitable donation receipt based on the fair market value of the property.

42. **Registered Retirement Plans**

Gifts of registered retirement plans include the direct designation of CLF as a beneficiary to receive the proceeds of a RRSP or RRIF on the death of the donor or a gift to CLF of the proceeds of RRIF or RRSP on the death of the donor by way of bequest. The CLF will accept such donations and a receipt based on the value of the RRSP or RRIF on the day of death of the donor will be issued for the final tax return.

43. **Other Gifts**

There are many types of gifts that may be donated or may evolve with new ways of planned giving from time to time. Examples of these gifts include charitable remainder trusts, “split receipt” gifts, stock options, gifts of flow-through shares, charitable gift annuities; time-share recreational property, airline premium points, etc. It is not possible to include every type of gift in this Policy. The CLF may establish specific policies for some of these gifts. Gifts not mentioned in this Policy or other policies of CLF will require individual review.

**SECTION VI**  
**REVIEW OF POLICY**

44. **Annual Review of Policy**

The Board shall use its best efforts to review this Policy each year in order to determine whether or not it continues to comply with all applicable law

**APPENDIX A**  
**Charitable Purposes of the CLF**

The purposes of the CLF are:

- (a) to co-ordinate and correlate the efforts of individuals and organized bodies with a view to reducing the morbidity and mortality in Canada from diseases of the liver;
- (b) to aid in promoting measures and facilities for the prevention, diagnosis and treatment of diseases of the liver;
- (c) to provide assistance, financial or otherwise, direct or indirect, towards the diagnosis and treatment of individuals afflicted with diseases of the liver;
- (d) to encourage, support and foster medical research into disease of the liver;
- (e) to receive and maintain a fund or funds and to apply from time to time all or any part thereof and/or any income therefrom for the above charitable purposes;
- (f) to use, apply, give, devote, accumulate or distribute from time to time any part of the fund or funds of the CLF and/or the income therefrom for the above charitable purposes by such means as may from time to time seem expedient to its directors, including the support within Canada or research, scholarships, publications, education and programmes and the aid of any research activities, programmes, charitable agencies and charitable institutions that are registered charities under the *Income Tax Act (Canada)*;
- (g) to solicit, accept, receive, acquire by purchase, lease, agreement, grant donation, legacy, gift, bequest or otherwise, any kind of personal property, and to enter into and carry out agreements, undertakings, and conditions in connection therewith;
- (h) to acquire rights, privileges, license, permits and concessions necessary or desirable; and
- (i) to acquire by purchase, lease, devise, gift, or otherwise, any kind of real property or interest therein, and necessary for the actual use and occupation of the CLF, or for carrying on its charitable undertaking, and when no longer so necessary, to sell, dispose of, and convey the same or any part thereof.

**APPENDIX B  
NAMING POLICY**

**SECTION I  
INTRODUCTION**

1. **Policy**

The purpose of this Policy is to set out the principles that guide the naming of CLF assets.

2. **Rationale**

- (a) The Canadian Liver Foundation (“CLF”) welcomes the opportunity to name existing and proposed tangible and non-tangible assets to honour persons, including founders, benefactors, donors, members of staff and others, who have rendered outstanding service to CLF or have made exceptional contributions to the mission of CLF.
- (b) The process and standards governing decisions on naming assets will be clearly established and transparent for the following reasons:
  - i) The selection of individuals for naming recognition reflects how CLF perceives itself, its mission and its values.
  - ii) The number of CLF assets available for naming is limited while the number of people who could be honoured this way is much higher. Each naming decision must be weighed very carefully.
  - iii) Naming opportunities are usually attached to a particular asset for the life of the asset or on occasion in perpetuity; thereby forming a long relationship between CLF and the person or group the asset is named after
  - iv) It is necessary for CLF to promote consistency in the tributes paid by CLF to its supporters.

3. **Jurisdiction/Scope**

- (a) This policy applies to the naming of all of CLF’s assets, whether existing or proposed, in accordance with established processes and procedures.
- (b) Assets of CLF that can be named include tangible assets and non-tangible assets of CLF.
- (c) Tangible assets of CLF may include: , recognizing that CLF does not currently have buildings
  - (i) buildings, and parts thereof (such as wings, rooms, floors, reading rooms, entrances, foyers, offices, etc.);
  - (ii) collections of books, archives, and other documentary and/or materials;
  - (iii) equipment;
  - (iv) open spaces, recreational spaces, gardens, roads, fields, etc.;
  - (v) other natural features or physical improvements; and

- (vi) medallions or plaques.
  - (vii) this is not an exhaustive list and CLF may not currently have all of assets listed above.
- (d) Non-tangible assets of CLF include:
- (i) scholarship, bursaries, events (e.g., lectures, lecture series, symposia, conference, etc.);
  - (ii) prizes and other awards to recognize outstanding achievements by members of CLF community (such as for research, for service);
  - (iii) research awards, Chairs and other external research awards in collaboration with other institutions;
  - (iv) Programs.
- (e) Naming, renaming and termination or revocation of naming shall be undertaken only after due diligence by CLF. This includes consultation with the appropriate departmental and administrative leadership.

## **SECTION II**

### **POLICY**

#### **4. General Principles**

All naming of CLF assets must conform to the following principles.

- (a) Each naming shall enhance the mission and priorities of CLF while preserving CLF's integrity, and autonomy.
- (b) Naming shall not impede CLF from altering its research priorities and shall conform to all CLF policies and guidelines governing the establishment of such assets.
- (c) Individuals, corporations or foundations after which an asset might be named must be of sound reputation.
- (d) In accordance with Section II (9), naming may be for a defined and limited period of time. No commitment to a naming shall extend beyond the useful life of an asset or existence of the asset named. The naming of capital assets "in perpetuity" should be avoided.
- (e) No commitment (verbal or written) shall be made by a member of the CLF community to any person for the naming of any CLF asset without the prior written approval of the Chair of the Board and President & CEO who may consult with the Board of Directors as they see fit.
- (f) Proposals for naming shall be dealt with in strict confidence by all involved in the process until the naming is publicly announced by CLF.
- (g) Naming of CLF assets involving gifts to CLF shall be in accordance with CLF policies and procedures, including its Gift Acceptance Policy.

- (h) A gift agreement will be required for naming opportunities which outlines the terms and conditions.

5. **Naming Involving Gifts – Minimum Contribution Required**

- (a) The value of a naming opportunity of a specific space should be determined by its size, location, and the activity taking place within the space. The value of a program, project, unit or centre should be determined by the number of users, the importance of the initiative to CLF, and public profile of the program. Appropriate comparators will be used as benchmarks to ensure the valuation of the naming opportunities reflects these factors.
- (b) For recognition by naming, it will be expected that the donor and/or other donor wishing to honour a benefactor, will provide all or a substantial part of the cost of the asset being named. “Substantial” means either a significant majority of the cost or a contribution which, while not being a significant majority, is regarded as central to the completion of the asset. Such recognition will generally take effect once the donor has fulfilled an agreed portion of their commitment.

6. **Naming to honour an individual where no gift is involved must adhere to the following standards:**

Section VA proposed honouree must have achieved distinction in one or more of the following ways:

- (i) While serving the mission of CLF in a research capacity, the individual demonstrated high scholarly/research distinction and earned an excellent national or international reputation.
- (ii) While serving the mission of CLF as a volunteer, the individual has demonstrated outstanding commitment and leadership that warrants recognition for the exceptional contributions made on supporting the mission of CLF.
- (iii) While serving CLF in an important administrative capacity, the individual rendered distinguished service that warrants recognition of the exceptional contributions this individual made to the welfare of CLF.

7. **Approval**

All proposals for naming involving gifts shall be approved by the President & CEO and the Chair of the Board.

8. **Plaques and Signs Recognizing Naming**

All style or presentation of any naming (signage, plaques, etc.) will be determined by the CLF in consultation with the donor.

9. **Naming and Renaming of CLF Assets**

- (a) A naming will normally be for the useful life of an asset. No commitment to a naming

shall extend beyond the useful life of an asset or existence of the asset named.

- (b) In general, when permanent named recognition has been extended for a gift received, it is intended to be honoured for the useful life of the asset. In the event of changed circumstances (e.g., a program no longer exists), CLF reserves the right to determine the form which such permanence may take, generally in consultation with the donor or their authorized representative(s) where appropriate.
- (c) Where a naming is for a limited period of time, CLF reserves the right to rename the asset on the expiration of that time, or to renew the support of the donor. When a named asset ceases to exist or will be developed for another use, appropriate recognition of earlier donors and honourees will be considered.
- (d) Should change circumstances lead to the denaming or renaming of an asset, and provided that CLF has in good faith fulfilled its original commitment to the donor, CLF will be in no way obligated to return any portion of a charitably received gift to the donor.
- (e) A proposal to rename an asset or to add a second name shall adhere to the same procedures and criteria for naming as outlined in this Policy.
- (f) When an asset is proposed for renaming, reasonable efforts will be made to inform the original donor or honouree in advance. If a donor or honouree is deceased, reasonable efforts will be made to inform the next generation of family members or business owners in advance of the renaming.

#### 10. **Revocation of Naming**

The CLF reserves the right to revoke a naming at its sole discretion where, in the opinion of the Board of Directors, it would be in the best interest of CLF to revoke the naming or the retention of the name would be prejudicial to CLF. Requests to revoke a naming must be sent to the President & CEO for consideration and will then be referred to the Board of Directors for a decision.

#### 11. **Records**

- (a) The Director, Finance shall keep a complete record of all naming agreements and related documents.
- (b) The Director, Finance and the Director, Fund Development shall be responsible for maintaining and updating an inventory of named assets which will be shared with the executive team. It will maintain a central registry of all named gift opportunities. This will be reviewed and updated from time to time based on market conditions, institutional fundraising priorities, and comparisons with other institutions.

**SECTION III**  
**REVIEW OF POLICY**

12. **Annual Review of Policy**

The Board of Directors shall use its best efforts to review this Policy each year in order to determine whether or not it continues to comply with all applicable laws.

## **APPENDIX C CORPORATE RELATIONSHIPS, DONATIONS AND SPONSORSHIP**

The Canadian Liver Foundation welcomes and solicits the support of corporations as sponsors, partners and donors.

This policy applies to all corporate relationships that benefit CLF regardless of where the relationship was cultivated, whether it was CLF's head office, a regional office or one of the CLF Chapters whose staff and/or volunteers may be involved in the relationship. These relationships include: corporations, professional organizations and industry groups, employee or third party fundraising aligned with a corporation or business and/or charitable foundations aligned with a corporation or business.

The CLF acknowledges that companies support the work of the organization not only for philanthropic and corporate social responsibility purposes, but at times also with the expectation to benefit the corporation in return for their support and involvement. It is also paramount that the mission, vision and values of CLF be upheld and respected by all parties.

### General Guidelines

The CLF, as a registered charity and independent organization, is subject to and bound by the regulations prescribed to charities by Canada Revenue Agency (CRA).

The CLF is committed to entering into corporate relationships that build and maintain trust that the CF community and public has in CLF, and preserve the good reputation, name and intellectual property of the organization. CLF will only solicit and accept support for activities that are consistent with its mission and values. CLF wishes to mitigate reputational risk, ensuring transparency and accountability and will declare any conflict of interest in accordance with the Conflict of Interest Policy.

The gift acceptance principles as outlined in the CLF Gift Acceptance Policy shall apply to corporate donations, sponsorships, partnerships or other arrangements. CLF will not accept any charitable, sponsorship or in-kind gift of any type with any company whose philosophy and values are inconsistent with the overall philosophy and values of CLF. CLF will not allow any funder to influence the advocacy positions or information or services that are provided by the organization. By entering into a relationship with a corporation, CLF will not specifically endorse or explicitly approve any particular products or services offered by that corporation.

By applying the Collaboration Framework in APPENDIX G, it is expected that an appropriate agreement will be created between CLF and the corporate sponsor, partner, or other party which outlines the commitment, responsibilities and expectations of both parties. This may be a separate agreement in the case of a corporate partner, or a sponsorship package that outlines the expectations and potential benefits to the supporter in the case of a specific sponsorship for an event or other endeavor.

## 1. Relationships with Restricted and Excluded Sectors

Relationships with certain sectors may present a real or perceived conflict of interest with the mission and values of CLF. The following are excluded sectors (i.e. no partnership or relationship may be pursued due to a clear conflict of interest or misalignment with mission and values of CLF) or restricted sectors (i.e. relationships are permitted but with some restrictions based on industry standards or terms to mitigate a perceived conflict of interest).

### **(a) Excluded Corporate Relationships**

Corporations and brands representing firearms, pornography, unregulated drugs, and others that do not fit the general gift acceptance policy of CLF are excluded from potential partnerships, and CLF will not knowingly accept a contribution of any form from the aforementioned sectors.

#### **(i) Tobacco/Nicotine**

The CLF will not willingly enter into a partnership agreement nor accept financial contributions of any form from a business whose primary portion of revenue is from the promotion, distribution or sale of tobacco or nicotine products (including e-cigarettes, vaping, etc.)

### **(b) Restricted Corporate Relationships**

As a charitable organization representing the interests of people living with liver disease, CLF must carefully monitor and assess corporate support and partnerships with certain sectors that may or may be viewed as having a negative effect on the health of people living with these related diseases. These include but are not limited to the following:

#### **(i) Pharmaceutical and Medically Related Product Industries**

#### **(ii) Alcohol**

#### **(iii) Medical Cannabis Industry**

## 2. **Pharmaceutical and Medically Related Products Industries**

The CLF willingly enters into relationships with pharmaceutical and healthcare industry corporations who often share interests in advancing CLF research, healthcare and advocacy programs. Refer to Policy on Working with the Pharmaceutical and Medically-Related Product Industry (**APPENDIX D**).

## 3. **Alcohol**

The CLF will accept contributions from a company that produces, sells or promotes alcohol if:

- (a) It is a sponsorship of an event or contribution or in-kind gift of alcohol for use at appropriate CLF events (such as galas)

- (b) It is a sponsorship, grant or unrestricted gift with an agreement with the company's corporate name and not a specific brand or product
- (c) It is a cause-related marketing campaign, with an appropriate campaign agreement in place, and where CLF does not explicitly endorse the product(s) of the company involved.

#### 4. **Cannabis**

The CLF has an official statement on the use of cannabis by people living with liver disease and recognizes that some may choose to use medical cannabis products in consultation with their physician. CLF will not accept contributions from companies that solely produce recreational cannabis products and will only accept contributions from a company that produces, sells or promotes medical cannabis if:

- (a) It is a sponsorship of an event;
- (b) It is a sponsorship, grant or unrestricted gift with an agreement with the company's corporate name and not a specific brand or product;
- (c) It is a cause-related marketing campaign, with an appropriate campaign agreement in place, and where CLF does not explicitly endorse the product(s) of the company involved.

In general, the guidelines of the CLF Policy on Receiving Financial Support from the Pharmaceutical and Medically-Related Product Industries shall apply to relationships with companies in the medical cannabis sector. Furthermore, legal advice should be obtained when developing sponsorship packages specific to the cannabis industry.

**APPENDIX D**  
**POLICY ON WORKING WITH THE PHARMACEUTICAL AND**  
**MEDICALLY-RELATED PRODUCTS INDUSTRY**

1. **Background**

Canadian Liver Foundation has nurtured a mutually beneficial relationship with the corporate sector for many years, including receiving support from a number of pharmaceutical companies, medical device manufacturers and companies that produce medically-related products.

For the purposes of this policy, CLF considers a pharmaceutical company to include manufacturers and/or distributors and/or suppliers of pharmaceutical and medically-related products, of therapeutic devices and of non-prescription health care products such as vitamins, enzymes and dietary supplements.

To minimize the potential for conflict of interest between CLF and the pharmaceutical and medically-related products industries, and to minimize any perception of conflict of interest, and to guide the relationship of CLF, its associations and chapters with representatives of the pharmaceutical and medically-related products industry, the CLF Board of Directors has adopted this policy (referred to as the Pharmaceutical Policy) and Guidelines.

In addition, this policy takes into consideration the ethical principles and practices of the pharmaceutical industry, including Innovative Medicines Canada (IMC)'s Code of Ethical Practices<sup>2</sup>, regardless of whether the industry representative is a member of IMC or not. Innovative Medicines Canada (IMC)'s Code of Ethical Practices is used as a guideline, and stipulates that "the industry is committed to engaging in relationships that are transparent, trustworthy and credible" and "members should maintain transparent funding relationships with all stakeholder partners and require their stakeholder partners to do likewise."

Canadian Liver Foundation wishes to uphold its integrity as a registered health charity and maintain independence and transparency in working with industry partners. Pharmaceutical companies offer health charities support for several reasons: to enhance patient and professional education programs and research under the auspices of an organization that serves the needs of individuals concerned with given diseases; and to provide a means of increasing corporate visibility outside of the normal marketing or advertising channels. In most cases, companies will support a health charity's programs if their own research and development strategy is focused on the development of agents for treating the disease(s) that are of concern to the charity. In other cases, support is provided simply in the spirit of good corporate citizenship.

Support may be in the form of direct donations and/or information about a company's product and/or monetary support for educational programs, conferences, programs, fundraising events and research or clinical programs.

2. **Benefits to the CLF**

Support from the pharmaceutical industry can aid in fulfilling the mission of CLF. The CLF will accept funds that support the mission and values of the organization, in accordance with the CLF Gift

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<sup>2</sup> Source <http://innovativemedicines.ca/ethics/code-of-ethics/>

Acceptance Policy and its appendices, and:

- (a) Only if support is provided without restrictions, control over programs and research content and/or development being maintained as the responsibility of CLF; or
- (b) If the funds are directed to a designated use which has received prior approval from the President & CEO or designate, in accordance with the guidelines below.

3. **Support from the pharmaceutical industry may be received by CLF in the form of:**

- (a) Grants or donations;
- (b) Sponsorship (sponsorship benefits may only be provided under the corporate name of the company not a specific brand or product);

Furthermore, where possible, CLF will not limit support to a single company, to avoid any potential or perceived conflict of interest or accusation of undue influence on the policies or work of the organization.

4. **Risks to the CLF**

The main risks to CLF of accepting support from the pharmaceutical and medically-related products industry is that CLF may be perceived as endorsing a company's product(s) and that the independence and impartiality of CLF as a health charity may be compromised by such relationships.

In order to minimize risk and safeguard independence, CLF will not accept support from companies for activities that are not part of the organization's strategy and mission.

5. **Overall Guidelines**

The following guidelines summarize how all representatives of CLF will act when seeking or receiving support from the pharmaceutical and medically related product industries. In addition to these guidelines, CLF works within the spirit of Innovative Medicines Canada (IMC)'s Code of Ethical Practices, regardless of whether the potential supporting company is a member of IMC or not.

- (a) The CLF-initiated research or clinical programs, sponsored by pharmaceutical companies, will have the formal approval of the CLF Board of Directors, be ethically defensible, socially responsible and scientifically valid.
- (b) Acknowledgement of financial support will be made without references to specific products or brands, but rather only to the corporate name.
- (c) Any representative of CLF must follow the organization's internal prospect clearance process.
- (d) Any representative of CLF will not accept gifts and/or honoraria for personal use from the pharmaceutical industry.
- (e) In keeping with federal and provincial legislation, CLF is committed to protecting the

privacy and confidentiality of people living with liver disease and their families and caregivers, and the Privacy Policy<sup>3</sup> of the organization will be adhered to. Specifically, CLF will not provide company representatives with the names of people living with liver disease or their caregivers.

- (f) A written agreement between the supporting company and CLF will be developed recognizing the autonomy and independence of CLF and its activities. This written agreement will:
  - v) Stipulate that the supported program serves a scientific or educational purpose and is not for the purpose of promoting any product;
  - vi) Include a statement that the funds are payable to CLF and that acceptance of funding is in no way considered an endorsement of any products manufactured or distributed by the supporting company.

## 6. **Supplementary Guidelines**

### (a) Funding of scientific or educational programs

Financial support may be solicited or offered in support of CLF scientific or educational programs developed for the CLF community, researchers, clinicians, caregivers and/or allied health professionals. Educational materials such as webinars, websites, newsletters, brochures, posters, videos, etc. may be written and produced with the assistance of an unrestricted educational grant.

When such support is received, the following will be adhered to:

- (i) Any monetary support will be provided in the form of an unrestricted educational grant, i.e. the supporting company may make suggestions but cannot determine the content, budget, selection of speakers or support materials of said initiative.
- (ii) It is acceptable to restrict donated funds to certain elements of a CLF program such as speaker costs, travel, refreshments or materials.
- (iii) Company representatives will not present educational sessions related to pharmaceutical products, but may attend, have materials/booth on-site and be acknowledged at events.
- (iv) Presenters will provide accurate and unbiased information.
- (v) In any form of electronic material, the company's logo, name and/or acknowledgement of support may not link to the company site, and should not refer to any specific products.
- (vi) CLF will consider requests from the pharmaceutical industry to provide submissions to Health Canada and other regulatory bodies subject to such requests meeting CLF's criteria and approval.

(b) Events

Pharmaceutical companies are permitted to sponsor CLF fundraising and general events. A formal sponsorship agreement with categories, corresponding dollar values and key benefits (such as recognition) will be developed for each sponsorship arrangement.

If a pharmaceutical company receives tickets as a benefit to their sponsorship, it is that company's responsibility to invite guests to use the tickets or join them at the event, not that of CLF. If the company "donates back" tickets, CLF will disclose the company's name to any guests invited to use those tickets.

**APPENDIX E**  
**DONOR BILL OF RIGHTS (SOURCE: Association of Fundraising Professionals (AFP))**

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I 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.

II 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.

III To have access to the organization's most recent financial statements.

IV To be assured their gifts will be used for the purposes for which they were given.

V To receive appropriate acknowledgement and recognition.

VI To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Source <https://afpglobal.org/donor-bill-rights> - Used by Permission February 16, 2022

## APPENDIX F GLOSSARY

### FUNDS

**Designated Funds** - A type of restricted fund in which the fund beneficiaries are specified by the organization that provides a grant.

**Restricted Funds** - Assets or income that is restricted in its use, in the types of organizations that may receive grants from it, or in the procedures used to make grants from such funds.

**Unrestricted Funds** - is a fund that is not specifically designated to particular uses by the donor, or for which restrictions have expired or been removed.

**Restricted Gift** - A gift for a specified purpose clearly stated by the donor and agreed upon by a donor and CLF in a contract

**Grant Monitoring** - The ongoing assessment of the progress of the activities funded by a donor, with the objective of determining if the terms and conditions of the grant are being met and if the goal of the grant is likely to be achieved.

### SPONSORSHIP

**Corporate Sponsor** - A corporation that supports an event, activity, organization by providing money or other resources.

**Corporate Sponsorship** – involves a corporation providing financial contributions to help fund an event, program, or other project. In return for funding, the corporation receives the opportunity to reach the CLF community through legal and ethical marketing means.

**Sponsorship Policy** – is a set of guiding principles to select which properties to sign as part of a sponsorship strategy. It also serves as a tool to respond to the multiple sponsorship requests a charity receives. The sponsorship policy should reflect the overall communication strategy, goals and long-term vision of the sponsorship portfolio. It's usually accompanied by a series of criteria in order to evaluate sponsorship demands and make a selection.

**In-Kind Sponsorship** - Payment (full or partial) of the sponsorship fee in goods or services rather than cash.

**Pharmaceutical Industry** – refers to companies developing and manufacturing innovative medicines and generic pharmaceuticals, as well as over-the-counter drug products. The sector is made up of a number of sub-sectors that service different market segments, including brand-name pharmaceuticals, generic drug firms, and biopharmaceutical small and medium sized enterprises (biopharmaceutical SMEs).

Source [https://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h\\_hn01703.html](https://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html)

**APPENDIX G  
CLF COLLABORATION FRAMEWORK**

**COLLABORATION FRAMEWORK**



**Internal Review**

CLF Management (CEO and Director, Finance with Director, Fund Development or Director, Community Engagement or Director Research/Professional Partnerships) receives and screens collaboration opportunity

