



MUSLIM LEGACY FUND

MUSLIM LEGACY FUND INC. GIFT SOLICITATION, ACCEPTANCE & RECEIPTING POLICIES & GUIDELINES

Muslim Legacy Fund Inc.

Muslim Legacy Fund Inc. (the “Foundation”) is a registered charity which raises funds and makes gifts from funds raised and invested to assist registered Canadian charities and other “qualified donees” (with a focus on those qualified donees which support the Muslim community in Canada) in the advancement of their charitable activities.

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INTRODUCTION

This document is intended to serve as a comprehensive outline of the Gift Solicitation, Acceptance & Receipting Policies & Guidelines of Muslim Legacy Fund Inc. (the “Foundation”) which seeks to offer a wide range of gift vehicles to the community to assist in promoting philanthropy and making gift giving as easy as possible. The Foundation’s role is to provide financial assistance to registered Canadian charities and other “qualified donees” (with a focus on those qualified donees which support the Muslim community in Canada in the advancement of their charitable activities).

The Foundation is a registered charity under the Income Tax Act (Canada). These Gift Acceptance & Receipting Policies & Guidelines have been prepared to be consistent with the requirements the Income Tax Act (Canada) as they relate to registered charities.

THE FOLLOWING POLICIES AND GUIDELINES HAVE BEEN PUT IN PLACE TO GUIDE THE FOUNDATION’S GIFT SOLICITATION, ACCEPTANCE AND RECEIPTING ACTIVITIES.

WHAT IS A GIFT?

Canada Revenue Agency’s (“CRA”) basic rule is that a gift is a voluntary transfer of property (not services) without consideration. All three of the following conditions must be satisfied:

- Some property – usually cash – is transferred by a donor to a registered charity
- The transfer is voluntary
- The transfer is made without expectation of return. No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value.

Sponsorship is not a gift and is governed by a separate joint policy with the Foundation.

FUNDRAISING PRINCIPLES

Ethical Fundraising

The Foundation volunteers and staff may assist donors and their advisors design gifts that meet each donor’s philanthropic and financial objectives within the context of the Foundation’s needs and priorities. The Foundation may inform, guide, or otherwise assist donors who wish to support the Foundation’s mission, but never under any circumstance pressure or unduly persuade them. All staff and volunteers will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity.

Volunteers, staff, or third parties who solicit or receive funds on behalf of the Foundation must:

- Act with fairness, integrity, and in accordance with all applicable laws;
- Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure, or who states that he/she does not wish to be solicited;
- Disclose immediately to the Foundation any actual or apparent (perceived) conflict of interest or loyalty; and,
- Not accept donations for purposes that are inconsistent with the Foundation’s mission.

Fundraising Standards

The Foundation adheres to the Association of Fundraising Professionals Code of Ethical Standards found in Appendix A, its Donor Bill of Rights found in Appendix B and the Canadian Association of Gift Planners Code of Ethics found in Appendix C.

The Foundation also adheres to the Fundraising Standards set out in the Imagine Canada Standards Program, found in Appendix D.

Conflict of Interest

In all matters involving the donor, the interest and wellbeing of the donor must take priority. In cases of conflict of interest, those acting on behalf of the Foundation must declare the conflict and allow an impartial individual to act for the Foundation.

Gift Arrangements

The Foundation encourages donors to make both outright and planned gifts (hereafter referred to as gifts). The types of gifts to be actively pursued are detailed below. Any other gift arrangement shall be subject to review of the Foundation's Gift Acceptance Committee, as outlined on page 6.

Outright Gifts – are readily negotiable and can be put to immediate use by the Foundation. They include cash, securities, gifts-in-kind, and cash value on life insurance.

Planned Gifts – are not available for immediate use by the Foundation. They include pledges and gifts made by way of wills, gifts of life insurance policies and proceeds, and other such gift arrangements as may from time to time be approved by the Foundation's Gift Acceptance Committee. Given the special circumstances involved in making a Planned Gift a potential donor may be encouraged to speak to their legal or other professional advisors to ensure the effectiveness of a proposed Planned Gift. If the donor does not have such advisors, the Foundation could make a referral, if requested.

GIFT VEHICLES - APPROVED

The following gift vehicles may be received by the Foundation:

Any Gift of Cash or Near Cash

A gift of cash, or near cash, including cheques and credit or debit card payments, will generally be accepted without regard to the actual source of the funds (e.g. GIC, T-bills, bonds guaranteed by any level of government in Canada proceeds from a RRSP or RRIF, bequests, trusts, payments for insurance premiums, etc.).

Cash gifts will be accepted and tax receipts issued in Canadian dollars. Cash gifts in currencies other than Canadian or US must be pre-approved by the Gift Acceptance Committee.

Foreign currency of any kind will be converted to Canadian dollars as soon as possible and a tax receipt may be issued once the gift "clears" the bank.

Near cash gifts will be converted to cash when received unless otherwise agreed to with the donor.

Any Gift of Publicly Traded Securities

A gift of publicly traded securities is as defined in the current edition of the Income Tax Act (Canada).

Such gifts are to include stocks and bonds that are traded on a prescribed stock exchange. Further, mutual funds and segregated funds are to be accepted as publicly traded securities. Tier three stocks (e.g. Venture Exchange) are not considered to be publicly traded securities.

To initiate a gift of publicly traded securities a donor may visit Muslim Legacy Fund Inc. on CanadaHelps.org.

Unless otherwise determined by the Board, all gifts of publicly traded securities will be sold immediately (or as soon thereafter as is practical) upon receipt and the proceeds will be reinvested in accordance with the investment guidelines of the Foundation.

GIFT VEHICLES – REQUIRING PRE-APPROVAL

The following gifts must be reviewed and approved by the Gift Acceptance Committee and Board prior to their acceptance:

- Outright or planned gifts of non-cash property (e.g. gifts-in-kind, including intangible assets, personal use property, privately held securities, real estate). • Gifts of life insurance contracts or policies with outstanding premium obligations or one where the annuitant and the donor are not the same person or related to the person. Further an outright gift of a life insurance contract or policy where the donor and the annuitant are the same person or a related person (e.g. spouse). For life insurance policies with cash values, special care must be taken to insure that reasonable projections were used when funding the policy to ensure a death benefit will be paid and is readily ascertainable.
- Gift utilizing trusts or residual interests where the Foundation is aware and required to be actively involved in the arrangement (e.g. charitable remainder trust).
- Other gifts to which conditions are attached or which may expose the Foundation to potential liability.

Such gifts will be discussed on a case-by-case basis. Information will be brought to the Gift Acceptance Committee for careful consideration of all the relevant facts and circumstances.

GIFT APPRAISAL AND ACCEPTANCE PROCESS

Gift Acceptance Committee

The purpose of the Gift Acceptance Committee is to protect the interests of donors and the Foundation. The Committee is responsible for assessing whether the circumstances surrounding a proposed gift are acceptable to the Foundation; whether the Foundation has the capacity to process and manage the gift; and for ruling on certain gifts where policy application is unclear.

The function of this group is to review and determine:

- Whether or not the Foundation will accept a gift that requires pre-approval.
- Whether to accept gifts that require outside professional appraisal or valuation, that may put obligations on the Foundation, or expose it to potential liability.

The Gift Acceptance Committee will also assess the value and decide whether to accept or reject the following types of gifts:

- Outright gifts of real estate, shares in privately-owned companies, personal property, and any other property interests which cannot be readily appraised or marketed.
- Planned Gifts such as charitable remainder trusts or residual interest gifts.
- Other gifts to which conditions are attached or which may expose the Foundation to potential liability.

The Gift Acceptance Committee is an ad hoc, advisory committee, chaired by a Foundation Board member that meets if and as needed.

This Gift Acceptance Committee has the right to retain outside counsel, if and as required.

The Gift Acceptance Committee would make a recommendation to the Foundation board, where the final decision would be made.

Information Required Prior to Consideration of Proposed Gift

Before deciding to accept a gift, relevant information shall be ascertained, including:

- Description of the asset
- Purpose of the gift
- Estimated fair market value
- Recognition expectations of the donor
- Income, expenses, encumbrances and carrying costs
- Environmental risks or problems
- Special arrangements for disposition requested by the donor

Acceptable Gifts

The Foundation welcomes gifts that support the pursuit of its mission. Indicators that a gift is acceptable include:

- The Foundation has a use or need for the gift or, when there is no immediate need, the gift is marketable.
- The gift and its accompanying terms are legal.
- The purpose of the gift is compatible with the work/priorities of the Foundation. • The size and/or benefit of the gift are not perceived to be disproportionate to the work or cost required to support/sustain the gift.
- There does not appear to be a physical hazard and/or liability concern associated with the gift.

Unacceptable Gifts

The Foundation has the right to decline any gift that is not consistent with its mission. Gifts will not be accepted by the Foundation that:

- Violate any federal, provincial or municipal law.
- As a condition thereof, require any action on the part of the Foundation which is unacceptable to the Foundation or violates its policies and regulations.
- Require or stipulate the future employment at the Foundation of any specified person or doing business with any specified company or person.
- Contain unreasonable conditions.
- Are gifts of partial interest in property, unless the Foundation agrees otherwise.
- Are financially unsound or that would expose the Foundation to liability or embarrassment.
- Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

Disposition Policy

In the case of gifts-in-kind, unless otherwise agreed by the Foundation through the terms of the deed of gift, all such gifts may be disposed of under the following guidelines:

- Consultation with the appropriate representatives.
- The proceeds of a sale of the asset will benefit the Foundation.

PLANNED GIFTS

Life Insurance

Various methods by which a life insurance policy may be donated to the Foundation include the outright gift of a life insurance contract, and/or establishment of the Foundation as a beneficiary of a life insurance policy death benefit. A donor may:

1. Assign irrevocably a paid-up policy to the Foundation
2. Purchase a new policy with the Foundation as owner and beneficiary
3. Assign irrevocably a Term to 100 life insurance policy on which premiums remain to be paid
4. Name the Foundation as a primary or successor beneficiary of the proceeds.

When ownership is irrevocably assigned to the Foundation, the donor will be entitled to a receipt for the cash surrender value less policy loans, if any, or for any premiums subsequently paid (Options 1 and 3 only), and for any policy loans that are subsequently re-paid. In Option 4, the donor's estate is entitled to a tax receipt upon death. Extreme care must be taken to properly record how the gift was received to ensure the appropriate tax receipt is issued.

Any of these types of life insurance gifts are acceptable to the Foundation. In the event a policy is contributed on which premiums remain to be paid, the donor will be asked either to pay the premiums directly to the insurance company or to make equivalent contributions to the Foundation that will be used to pay the premiums. If the donor does not cover the premiums by either of these methods, the Foundation may surrender the policy for its cash value, elect a paid-up policy for a reduced amount, secure another donor to maintain the premiums, or pay the premiums from its own funds.

For greater clarity, any gift may be referred to the Board of the Foundation or its Gift Acceptance Committee for acceptance if subject to possibly questionable restrictions or circumstances. Further, gifts of cash or securities may result from trusts or other vehicles where the Foundation is a beneficiary, but otherwise unaware of the trust arrangement.

Bequests & Muslim Legacy Contributors

Bequests are an important kind of planned gift. Encouragement of bequests will be a high priority of the Foundation.

Sample bequest language, will be made available to donors and their advisors to ensure that the bequest is properly designed. Donors will also be invited to provide information about their bequest provision and, if they are willing, to send a copy of the section of their will naming the Foundation as a beneficiary.

The Chair or Treasurer and designated staff person in consultation with the Foundation's legal counsel, shall represent the Foundation in all dealings with the lawyer and executor of the estate.

Muslim Legacy Contributors are donors who have made a commitment to Muslim Legacy Fund Inc. future as part of their own legacy, by including support for the Foundation in their estate plans through a gift to the Foundation. This could be, for example, by way of a bequest in a will or a gift of a life insurance policy.

Whatever form their gift takes, Muslim Legacy Contributors share an interest in continuing the Foundation's impact on our community and making a difference in the lives of people every day.

Muslim Legacy Contributors and gifts to the Foundation in the form of a bequest will be recognized in the manner described in the **Donor Recognition Plan** established by the Foundation from time to time.

Pledges

What is a pledge and how is it counted?

Donors may wish to make a written financial pledge or promise to the Foundation that will be paid at some future time.

Pledges may be paid on almost any schedule that is convenient for the donor. That means that payments may be paid over a period of several years, or the pledge may be paid in a one-time payment; or pledges may be paid monthly, or other regularity specified by the donor; or the pledge may be paid with cash, cheque, or a gift of securities.

A pledge made over a maximum three-year period will be counted as money committed for the purposes of reporting on campaign progress, but the actual dollars will not be accounted for until the pledge is actually paid.

DONOR PROPOSALS

The Foundation is prepared to consider receiving a gift from a donor of cash or near cash to support a specific use or expenditure by the Foundation. The proposed use or expenditure must be consistent with the mission of the Foundation.

The Chair and/or designate(s) are authorized to negotiate gift proposals to fund a specific purpose with prospective donors, based on guidelines approved by the Board.

The Foundation may permit a donor to propose the use of the gift, in the circumstances outlined below. It is understood that should adherence to the donor's expectations become too onerous or unduly expensive (as defined by the Board), that the Foundation may re-direct the use of the funds to a related area as defined by the Board.

A Donation receipt will be issued upon acceptance of Donor's proposal and gift (See Appendix E).

Gift under a donor's proposal may include:

- Gifts intended to promote and carry on the work of Foundation over a specified period of time.
- Gifts intended to be used for a specific purpose.

The Foundation will receive and administer a gift in accordance with a Donor's Proposal, insofar as the donor's expectations are within the guidelines established by the Foundation from time to time.

ISSUING RECEIPTS

General Rules

Gifts for which the Foundation issues charitable donation receipts (receipts) must comply with applicable federal and provincial tax regulations.

Gifts of cash, cheques, or negotiable securities are routinely accepted and receipted by XX, with the exception of gifts made online via Canada Helps.

The Fund Administrator is responsible for:

- Issuing receipts specifying the amount and date of the gift and bearing the Foundation's charitable number and the Canada Revenue Agency's website address canada.ca/revenue-agency, excluding gifts made online via Canada Helps.

Foundation staff is responsible for

- Coordinating the distribution of receipts and related gift acknowledgement correspondence for gifts of \$20.00 or more, or for lesser amounts, if requested
- Gifts made online via Canada Helps only receive related gift acknowledgement as Canada Helps issues tax receipts automatically for those gifts they process.
- Acknowledging gifts of cash or cheques within a reasonable period of time.

Gifts of securities and mutual funds, the value of receipts will reflect:

- The value of the security on the date the assets are transferred from the donor's account to the Foundation's account electronically (unless otherwise specified by the donor)
- In the case of physical stock certificates, the receipt will bear the highest value of the stock on the date of its transfer to the Foundation's account.

A charitable donation receipt can only be issued to the person who contributed the gift. In the case of a gift by cheque this is the person (or persons) whose name(s) appear(s) on the cheque as the account holder. Where chequing accounts are joint with a spouse/partner, the receipt may be made in the name of either person. In the case of a gift of cash, the Foundation will refer to accompanying documentation to determine to whom to issue the receipt.

Examples are:

- If a cheque is received from a corporation, including a holding company, the receipt must be made out to the corporate name on the cheque. The receipt cannot be entered in an individual's name.
- If a cheque or cash is received from a partnership or a proprietorship, the owner(s) and the partnership/proprietorship are one and the same for tax purposes. Receipts may be issued in the owner(s) name.

A charitable receipt can be issued for a gift-in-kind subject to CRA regulations.

- Gifts-in-kind include (but are not limited to) capital property, depreciable property, personal-use property, shares and inventory of a business. A gift-in-kind does not include a gift of services.
- A donation receipt for an approved gift-in-kind may be issued for the fair market value (FMV) of the property/goods on the date it is received.

- If the item is new and has been recently purchased, a receipt or invoice is adequate proof of FMV.
- All property with a FMV > \$1,000 must be valued by a qualified appraiser independent of the donor and the Foundation.
- To receive a donation receipt for a gift of inventory the Foundation requires an invoice. Most businesses prefer to claim the donation of inventory as a business expense.

A charitable receipt cannot be issued for gratuitous service. Services include professional, business and personal services. Examples of services are legal, accounting, recreation, entertainment, transportation, dining.

A charitable receipt cannot be issued for program or event sponsorships.

- Where a business gives cash or merchandise to the Foundation, and receives a material business advantage such as promotional or advertising services, the business has not made a gift according to Canada Revenue Agency and the Foundation cannot issue a receipt.
- In these circumstances the business can usually claim the cash payment or value of the merchandise as a business expense.

A charitable receipt can be issued to event table sponsors for the gift portion of ticket price (See split receipting discussion below).

Receipting vis a vis Recognition Issues

It is important to differentiate between who is receiving the receipt and who is being recognized for the gift. The rules regarding issuance of receipts do not apply to recognition.

Recognition for a gift can be given to whomever the donor wishes (within reason). Some examples are:

- A person who sends a donation from a corporation or holding company is not entitled to a receipt in his/her name but can be recognized personally for the gift.
- A person can make a contribution on behalf of someone else. In this case the Foundation would issue the receipt to the person actually giving the gift, but recognize the person indicated by the donor,
- A company can make a gift and indicate that recognition should be given to an individual.
- An individual can make a gift and indicate that recognition should be given to a company.
- In all of the above situations, as long as the receipt is made out as per the receipt recipient guidelines, recognition can be given as per each donor's wishes.

Re: Special Events

A charitable receipt can be issued for the gift portion of a special event.

The gift portion of an event can be determined by using a concept known as split-receipting.

The amount paid for a ticket to a fundraising event is split between the amount of advantage received by the donor and the amount eligible for a charitable donation receipt (the gift).

The process to determine the receiptable gift amount is as follows:

What is given to the Foundation?	<ul style="list-style-type: none"> • This is normally the ticket price paid by the donor for an event.
What is the donor receiving in return?	<ul style="list-style-type: none"> • Amount of advantage includes the total, at FMV, of all goods and services the donor is entitled to receive at the event (e.g. food, beverages, complimentary items and so on) as a result of the ticket purchase. • A calculation called “de minimis” calculation is done to determine whether the amount of the advantage is minimal, in which case the amount is not deducted in determining the tax receiptable amount. • The amount of the advantage is minimal (and therefore not deducted) if it is the lesser of 10% of the ticket price of \$75.
Is there an intention to give?	<ul style="list-style-type: none"> • There is also a calculation done to determine whether the amount of advantage is excessive in which case there is no intent to make a gift to the Foundation and a charitable donation receipt cannot be issued. • To qualify for a charitable donation receipt, the amount of advantage cannot exceed 80% of the amount contributed (i.e. the ticket price). Example: an individual pays \$100 for an event ticket. To qualify for a charitable donation receipt, the individual cannot receive an advantage of more than \$80 (80% of \$100)
What is the eligible tax receiptable amount of the gift?	<ul style="list-style-type: none"> • This is the amount of the ticket price that exceeds the amount of the advantage.

Example 1: Fundraising Dinner

- The Foundation is holding its annual gala. It has sold 500 tickets at \$200 each.
- The Foundation has calculated the value of dinner to be \$80.
- There are a number of door prizes – wine, gift certificates, a DVD player. The Foundation has calculated the total value of these items at \$2000.
- All attendees also receive a grab bag of items valued at \$10 per attendee.

What is given to the Foundation?	<ul style="list-style-type: none"> • \$200 ticket price
What is the donor receiving in return?	<ul style="list-style-type: none"> • Total value of door prizes and complimentary items averaged out on a per attendee basis: <ul style="list-style-type: none"> • Door prizes = \$2000/500 attendees = advantage of \$4 per person • Grab Bag = advantage of \$10 per attendee • Total advantage = \$14.00 • Are these advantages minimal? <ul style="list-style-type: none"> • Ticket price = \$200 • Threshold is the lesser of 10% of \$200 = \$20 or \$75. Therefore \$20. • \$14 advantage does not exceed \$20 threshold and is therefore “de minimis”. There is no need, therefore, to deduct the amount of advantage from the tax receiptable amount.
Is there an intention to give?	<ul style="list-style-type: none"> • Does the amount of advantage received by the donor exceed 80% of the ticket price? <ul style="list-style-type: none"> • Ticket price = \$200 • Amount of advantage received by the donor = \$80 dinner • \$80 dinner does not exceed \$160 (80% of the ticket price of \$200) • Therefore, there is intent to make a gift and charitable donation receipt can be issued for the amount in excess of the advantage.
What is the eligible tax receiptable amount of the gift?	<ul style="list-style-type: none"> • Eligible amount is the amount of the ticket price that exceeds the amount of the advantage <ul style="list-style-type: none"> • Ticket price = \$200 • FMW of meal (advantage) = \$80 • Tax receiptable (eligible) amount = \$120

Example 2 – Golf Tournament

The Foundation holds a fundraising golf tournament and sells 100 tickets. Details of the event are as follows:

- Ticket price \$200
- Food & Beverage \$30
- Hole in 1 is use of a car for 1 year (\$ nominal) – ignore
- Green fees \$50
- Golf Balls \$15 / per participant
- Door & winner prizes \$2000 total value, average of \$20 per participant
- Cart rental \$20
- Raffle tickets sold separately – ignore

What is given to the Foundation?	<ul style="list-style-type: none"> • \$200 ticket price
What is the donor receiving in return?	<ul style="list-style-type: none"> • Total value of door prizes and complimentary items averaged out on a per attendee basis: <ul style="list-style-type: none"> • Door prizes = advantage of \$20 per person • Complimentary items = advantage of \$15 per attendee • Total advantage = \$35.00 • All these advantages minimal? <ul style="list-style-type: none"> • Ticket price = \$200. • Threshold is the lesser of 10% of \$200 = \$20 or \$75. Therefore \$20 • \$35 advantage does not exceed \$20 threshold and therefore the amount must be included as an advantage.
Is there an intention to give?	<ul style="list-style-type: none"> • Does the amount of advantage received by the donor exceed 80% of the ticket price? <ul style="list-style-type: none"> • Ticket price = \$200. • Amount of advantage received by the donor <ul style="list-style-type: none"> • Green fees, cart rental, food & beverages \$100 • Prizes & complimentary items \$35 • Total advantage = \$135 <p>\$135 does not exceed \$160 (80% of \$200 ticket price)</p> <p>✓ Therefore, there is intent to make a gift and a charitable donation receipt can be issued for the amount in excess of the advantage.</p>
What is the eligible tax receiptable amount of the gift?	<ul style="list-style-type: none"> • Eligible amount is the amount of the ticket price that exceeds the amount of the advantage. <ul style="list-style-type: none"> • Ticket price = \$200 • Less advantage = \$135 • Tax receiptable (eligible) amount = \$65.

Receipts re Auctions

There are two types of charitable donation receipts issued for an auction:

1. For property donated to the Foundation for the auction:
 - A receipt can be only issue for property, not services.
 - A receipt will be issued for FMV of the auction (FMV = the lesser of either the FMV or what the donor paid for the auction item).
 - If FMV cannot be established, then no receipt can be issued.
 - Businesses donating inventory may receive a receipt for the retail value of the auction item

2. For property that is purchased during the auction:
 - A receipt can be issued for the bid price in excess of the FMV provided if:
 - FMV is established and announced in advance.
 - The difference meets the intent to give threshold.
 - The intent to give threshold can be calculated in advance by multiplying the FMV by 125%. For examples:
 - Wine donated (FMV) \$200 Intent to give threshold $\$200 \times 125\% = \250
 - For bid prices of \$250 or more, a tax receipt can be issued for the difference between the bid price and the FMV of the item.

FMV	Intent to Give Threshold	Bid Price	Tax Receipt
\$200	\$250	\$270	\$70
\$200	\$250	\$220	\$0

SPECIFIC PURPOSE FUNDS

From time to time the Foundation may establish specific purpose named funds and may credit donations and other revenue, included accumulated monies, to such funds. In establishing such a fund the Foundation will establish the Purpose of the fund and the Administrative Policies applicable to the Foundation's stewardship of the fund. Information on such funds will be available on the Foundation's website- www.muslimlegacyfund.com.

At the time of making a gift to the Foundation, a donor may request that the donor's gift be added to a specific purpose named fund.

DONOR RECOGNITION

General Principles

All forms of donor recognition by the Foundation will be provided within the spirit of the Foundation's mission and it will be respectful of donors' wishes.

- Recognition will be provided to donors, with their permission.
- Donors who choose to remain anonymous may do so.
- Recognition will be provided for outright, in-kind and planned gifts.
- Recognition events will be considered as an opportunity to say thank you and also to encourage prospective donors to contribute.
- Opportunities for media coverage will be considered and capitalized on, where feasible.

Donor Recognition Plan

Gifts to the Foundation will be recognized in the manner described in the **Donor Recognition Plan** established by the Foundation from time to time.

Tribute Gifts

A donor may request that recognition be given to another individual, family or entity, as the gift may be a tribute to or in honour of someone or in memory of an individual. The receipt will be issued to the donor, not the honouree as per Canada Revenue Agency's requirements. Recognition for tribute gifts will be as provided in the **Donor Recognition Plan**, established by the Foundation from time to time.

PRIVACY POLICY

Respecting your privacy and confidentiality of personal information is an important part of our commitment to donors, sponsors, and other supporters the Foundation. The Foundation recognizes that by becoming a donor of the Foundation you have provided us and may be asked to provide us with certain personal information.

The Foundation has adopted the Privacy Policy. The full text of this Privacy Policy is available to donors on the Muslim Legacy Fund Inc. website, www.muslimlegacyfund.com

DEFINITION OF TERMS USED IN THIS DOCUMENT

Donor Proposal

A proposal by a Donor(s) that outlines the details of the gift, describes any donor preferences or other expectations relating to the gift.

Near Cash

Bonds, money market mutual funds, GICs, T-bills, and other short-term investments that have readily available markets to convert them into cash are considered near cash. All such instruments must be denominated in Canadian funds.

Insurance

Gifts where an insurance policy is purchased with the Foundation as the owner, or gifted to the Foundation at a later date (policy assignment), or the death benefit is assigned to the Foundation as a beneficiary. Depending on how the gift is structured, the donor receives a tax receipt for the premiums paid, or for the death benefit, but never both. Insurance policies can be either Term to 100, or permanent (e.g. whole life, universal life).

Death Benefit

The death benefit refers to the ultimate tax-free pay out from the policy at the death of the insured individual. Death benefits can be guaranteed at an amount, can vary over time as defined in the policy, or can be reduced or disappear entirely when a period of time has expired (e.g. term insurance, universal life contracts, etc.). At all times, payment to the Foundation of the eventual death benefit ultimately destined for the Foundation must be a certainty.

Premiums, Life Insurance Premiums

Cash payment that is required to fund an insurance policy is called the premium. Premiums are always required for the lifetime of the insured (or to age 100). However, depending on the type of insurance policy, the premiums may be paid by the donor on a regular basis, OR after a certain number of premiums have been paid, from funds accumulated within the policy (cash value).

Cash Surrender Value (aka Cash Value)

The amount of excess premiums held within the insurance policy. Cash value normally accumulates in the early stages of a whole life policy when the cost of insurance is less than the premiums paid. Over time, the cash surrender value may be withdrawn by the owner of the policy as policy loans, or used to fund the required premiums for as long as the cash surrender value remains in a positive balance.

Policy Loans

Situations where the insured has withdrawn some of the cash value from the policy. Policy loans are repaid under a payment schedule with interest. If the insured refuses to repay the loan, the cash value will be used to repay the loan. If the cash value expires, then the policy will lapse.

Real Property

For the purposes of this policy, this refers to property that cannot be moved, generally real estate (e.g. cottages, houses, and lots).

Personal-use Property

Personal-use property is that which is owned primarily for personal enjoyment (e.g. household items, boats, cars, furniture, etc.). Such property is normally not expected to have increased in value; hence there is no capital gain or loss for the disposal of this type of property. Personal property is deemed to have a minimum cost and fair market value of \$1,000. Thus, any disposal of personal-use property that has a value and cost less than \$1,000 is a non-event for Canada Revenue Agency.

Listed Personal Property (LPP)

A sub-set of personal use property that includes only the following assets:

- Prints, etchings, drawings
- Paintings, sculptures, and other works of art
- Jewelry
- Rare folios, manuscripts, or books
- Stamps
- Coins.

The distinction between this type of property and personal use property is that LPP is expected to have gained in value. Thus, disposal of it may give rise to a LPP capital gain or LPP loss. The minimum cost and fair value is \$1,000 as with personal use property.

Charitable Remainder Trust (CRT)

A CRT is a trust where the Foundation is a beneficiary of the remainder interest of the capital in the trust. Such interest is paid to the Foundation after a prescribed period of time has elapsed (including death of the income beneficiary(s)) and at no time may the capital of the trust be encroached upon by anyone at anytime.

Residual Interest

A residual interest is part of an asset that is real property (e.g. building, land) that is left to the Foundation at some time in the future. Typically, such property does not produce income for the donor.

Beneficiary

The person for whose benefit the trust was created. For charitable remainder trusts, the donor is normally the income beneficiary (income interest) and the Foundation is the capital beneficiary (remainder interest). Insurance beneficiaries are entitled to the death benefit. Furthermore, RRSP or RRIF beneficiaries are entitled to the refund of premiums.

THIS GIFT SOLICITATION, ACCEPTANCE & RECEIPTING POLICIES & GUIDELINES WAS ADOPTED BY THE BOARD OF DIRECTORS OF THE FOUNDATION ON XX, WAS AMENDED ON XX, AMENDED ON, AND ON XX.

APPENDIX A



CODE OF ETHICAL STANDARDS

ETHICAL STANDARDS (Adopted 1964; amended Oct 2014)

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

Members shall:

- 1 not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
- 2 not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
- 3 effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
- 4 not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
- 5 comply with all applicable local, state, provincial and federal civil and criminal laws.
- 6 recognize their individual boundaries of professional competence.
- 7 present and supply products and/or services honestly and without misrepresentation.
- 8 establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
- 9 never knowingly infringe the intellectual property rights of other parties.
- 10 protect the confidentiality of all privileged information relating to the provider/client relationships.
- 11 never disparage competitors untruthfully.

SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

Members shall:

- 12 ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.
- 13 ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

- 14 ensure that contributions are used in accordance with donors' intentions.
- 15 ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
- 16 obtain explicit consent by donors before altering the conditions of financial transactions.

TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

Members shall:

- 17 not disclose privileged or confidential information to unauthorized parties.
- 18 adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.
- 19 give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
- 20 when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

COMPENSATION, BONUSSES & FINDER'S FEES

Members shall:

- 21 not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.
- 22 be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
- 23 neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
- 24 not pay finder's fees, commissions or percentage compensation based on contributions.
- 25 meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

APPENDIX B

A DONOR BILL OF RIGHTS

DEVELOPED BY:


Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

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.

APPENDIX C



CODE OF ETHICS

This Code of Ethics shall apply to all members of CAGP.
Revised: September 2020

Objectives

This Code of Ethics expresses CAGP's recognition of the responsibilities of its members to the association, to fellow members, and to others in the gift planning sector, including donors or prospective donors.

All members of CAGP are committed to upholding this Code of Ethics and will declare this in writing on their acceptance as a member and annually upon their membership renewal.

1. The Integrity of Members

Members shall act with competence, honesty, integrity and fairness in their relations with donors or prospective donors.

2. The Role of Members

The primary role of members is to both help donors realize their philanthropic goals and to ensure that their contributions respect the objectives of the charitable organization in question.

3. Disclosure of Information

Members have a responsibility to provide donors with accurate and comprehensive information on all aspects of the gift, including the roles of all interested parties.

Members who work on behalf of a charitable organization have a responsibility to inform donors of the mission, the activities of the organization as well as its gift acceptance practices, its processing procedures and fund and endowment management policies.

4. Protection of Interested Parties

Members working for or on behalf of a charitable organization shall encourage donors to consult with their personal and professional advisors in the case of significant and complicated gift transactions. Members have a responsibility to cooperate with other professionals who promote their donor's interests as well as those of the organization they represent.

Members shall not act for nor claim to represent a charitable organization without its knowledge or express consent. Members shall not act as donors' representatives without the donors' consent.

5. Legal Compliance

Members shall comply with all local, provincial and federal civil and criminal laws.

6. Terms and conditions of Gift

Members shall respect the payment schedule and contribution method chosen by donors, insofar as the methods comply with the charitable organization gift acceptance policies or guidelines. The members shall allow donors time for reflection and shall respect their decision-making processes.

In the event that the conditions a gift need to be altered, members shall work in good faith with donors in doing so.

7. Confidentiality

Members shall respect the donor's request for anonymity. Donors' files and the personal and financial information therein contained are the charitable organization's property and shall be kept strictly confidential and in accordance with the privacy legislation in force for the particular jurisdiction.

8. Conflict of Interest

At all times, members shall avoid conflict of interest situations, potential conflict of interest situations or the appearance of conflict of interest. Members shall notify all interested parties of any situation that may present a potential conflict of interest. Unless circumstances are such that this becomes a requirement, members who work on behalf of a charitable organization shall not agree to act for donors on a personal basis (e.g. as liquidators or executors of wills) so as to avoid any conflict of interest.

9. Remuneration

Members who work on behalf of a charitable organization shall not accept commission-based remuneration, nor finder's fees nor shall they derive any monetary benefit from transactions concerning donations or from relationships established with donors as part of their duties.

10. Competence

Members shall be responsible for maintaining their professional skills and for upgrading their knowledge on an ongoing basis.

Members shall be obliged to be aware of and adhere to all guidelines and standards of conduct issued by the Association.

11. Complaints

Complaints should be addressed in writing to the Board of Directors of CAGP, who will review them in confidence and in accordance with the Code of Ethics Complaints Procedure.

APPENDIX D

IMAGINE CANADA STANDARD PROGRAM

1. *CHARITIES ONLY: All donations are used to support the charity's objects, as registered with CRA.*
2. *All fundraising solicitations by or on behalf of the organization must:*
 - *be truthful,*
 - *accurately describe the organization's activities,*
 - *disclose the organization's name.*
 - *disclose the purpose for which funds are requested, and*
 - *disclose, upon request, whether the individual or entity soliciting donations is a volunteer, employee or contracted third party.*

Any written solicitations by or on behalf of the organization must include its address or other contact information.

3. *CHARITIES ONLY: The organization prepares and issues official Income Tax receipts for monetary gifts and gifts-in-kind pursuant to any policy established and published on minimum amounts to be receipted and in compliance with all regulatory requirements. ALL ORGANIZATIONS: The organization acknowledges in writing contributions not entitled to be officially receipted, subject to any policy established and published on minimum amounts to be acknowledged.*
4. *The organization encourages donors to seek independent advice if the proposed gift is a Planned Gift and/or the organization has any reason to believe the proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.*
5. *The organization honours donors' requests to remain anonymous in relation to:*
 - *being publicly identified as a supporter of the organization; and/or*
 - *having the amount of their contribution publicly disclosed.*
6. *The organization respects the privacy of donors. Donor records maintained by the organization are kept confidential to the greatest extent possible. Donors have the right to see their own donor record and to challenge its accuracy.*
7. *The organization does not sell its donor list. If the organization rents, exchanges or otherwise shares its donor list, it must abide by the Canadian Marketing Association Code of Ethics and Standards of Practice and honour donors' requests to be excluded from such lists.*
8. *The organization honours donors' and prospective donors' requests to:*
 - *limit the frequency of solicitations;*
 - *not be solicited by telephone or other technology;*
 - *receive printed material concerning the organization; and*

- *discontinue solicitations where it is indicated they are unwanted or a nuisance.*
9. *Recognition mechanisms created due to 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 the organization 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 the organization, it may be terminated or altered.*
 10. *The organization does not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.*
 11. *The organization has appropriate fundraising policies (i.e., a gift acceptance policy, a policy on the treatment of restricted or designated gifts, and naming and endowment policies). The relevance and appropriateness of these policies are reviewed regularly by the board.*
 12. *The organization does not make claims that cannot be upheld or are misleading.*
 13. *The organization does not exploit its beneficiaries. It is sensitive in describing those it serves (whether using graphics, images or text) and fairly represent their needs and how these needs will be addressed.*
 14. *When the organization conducts online solicitations its practices should be consistent with or exceed the provisions of the Canadian Code of Practice for Consumer Protection in Electronic Commerce.*
 15. *Organizations conducting face-to-face solicitations (e.g., door-to-door campaigns, street-side fundraising) must:*
 - *provide verification of the affiliation of the person representing the organization; and,*
 - *secure and safeguard any confidential information, including credit card information, provided by donors.*
 16. *Paid fundraisers, whether staff or third parties, who solicit or receive funds on behalf of the organization must:*
 - *adhere to provisions of these Standards relating to fundraising;*
 - *act with fairness, integrity, and in accordance with all applicable laws;*
 - *cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure, or who states that he /she does not wish to be solicited;*
 - *disclose immediately to the organization any actual or apparent conflict of interest or loyalty; and.,*

- *not accept donations for purposes that are inconsistent with the organization's mission.*
17. *Volunteers who solicit or receive funds on behalf of the organization must:*
 - *act with fairness, integrity, and in accordance with all applicable laws;*
 - *cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure, or who states that he /she does not wish to be solicited;*
 - *disclose immediately to the organization any actual or apparent conflict of interest or loyalty; and,*
 - *not accept donations for purposes that are inconsistent with the organization's mission.*
 18. *The organization provides, upon request, its best available information on gross revenue, net proceeds and costs of any fundraising activities (including the fundraising costs categorized as education and /or public awareness).*
 19. *Organizations that undertake cause-related marketing in collaboration with a third party must disclose in all related materials how the organization benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is payable, the organization should disclose this.*
 20. *The board regularly reviews the cost-effectiveness of the organization's fundraising programs. No more will be spent on administration and fundraising than is required to ensure effective management and resource development.*

APPENDIX E**DONOR PROPOSAL**

Created [DATE MONTH YEAR]

Donor Name: _____

I wish to donate to Muslim Legacy Fund Inc. the following gift: \$.

I have the following expectations from making this gift:

Donor Signature

Date:

Address

City

Province

Postal Code

Telephone (Home)

(Cell)

Email

Donor Proposal from [donor 1st initial last name] |

Created XX MTH YEAR

Document History

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Last Review Date: