

General Policy

BenefAction encourages and solicits gifts of cash, and other personal property as described herein, either as outright gifts or through donor-advised funds or other planned giving vehicles as are permitted by the Charities Directorate of Canada Revenue Agency and the laws of Canada.

Responsibility to the Donor

While the primary interest of BenefAction is to seek donations to assist in fulfilling its mandate, there is also an ethical responsibility to the donor. Accordingly, all parties acting on behalf of BenefAction will adhere to the following principals:

a) Conflict of Interest

In all matters involving the donor, the interest and well-being of the donor must take priority. In cases of potential conflict or actual conflict of interest, those acting on behalf of BenefAction must declare the conflict. A conflict of interest is deemed to occur when individuals who present themselves as a representative of BenefAction stand to benefit from the marketing of services or products to the donor. However, if the individuals present themselves as representatives of an outside firm, and part of their counseling involves planned giving for BenefAction, no conflict would exist.

b) Legal and Other Professional Counsel

In matters pertaining to the Planned Giving Program, the advice of a financial advisor, lawyer, accountant or other appropriate professional will be sought.

As donor's needs and circumstances vary, all donors will be advised to have their gift plans reviewed by their own lawyers or other professional advisors.

As a service to the Donor, BenefAction's will draft the Donor Agreement for all Donor-Advised charitable giving programs and will accept the responsibility for any legal fees incurred.

In the case of instruments drafted by the donor's lawyer (excluding Will clauses or codicils to the Will), counsel for BenefAction will review all such documents before they are accepted.

c) Ethics

All BenefAction staff and other individuals acting on behalf of BenefAction in promoting the Planned Giving Program will conduct themselves in accordance with accepted professional standards of accuracy, truth and integrity. Refer to Association of Fundraising Professionals (AFP) Code of Ethical Principles and Standards, the Canadian Association of Gift Planner's Code of Ethics and the Donor Bill of Rights created by various organizations including AFP.

d) Finder's Fee

Donations to BenefAction will be considered part of the philanthropic support for BenefAction and no finder's fees or commissions will be paid.

Acceptance of Planned Gifts

No planned or conditional gift will be accepted unless approved by the Chief Executive Officer. In those cases where acceptance of a gift imposes a financial obligation on BenefAction, or where financial valuations are required in order to issue a receipt or determine future values, the gift will not be accepted unless approved by

the Chief Executive Officer. Also no gift will be accepted on behalf of BenefAction that may improperly benefit any individual or any other matter that may jeopardize the registered charity status of the corporation.

a) Appraisal

Depending on the nature or circumstances of the gift, a donor of property or gifts-in-kind may be asked to obtain an independent appraisal of the value of the gift. The responsibility for any fees will normally be covered by BenefAction, subject to the approval of the Chief Executive Officer.

b) Investments

All assets received by BenefAction are invested in accordance with the following policies established by BenefAction's Board of Directors.

c) Changes in Circumstances

Donors who designate a gift to a specific charity or specific purpose must be advised of the right of BenefAction to vary the gift designation in certain circumstances. Gift terms may be amended by mutual consent of BenefAction and the donor or his/her representative, during his/her lifetime where possible. If circumstances change at some future date and jeopardize the continuation of the intent of a gift or it is deemed inappropriate to continue with the instructions, then BenefAction Board of Director's reserves the right to make whatever changes may be required due to circumstances, including but not limited to amendment of monetary value, selection criteria, or area of designation. These amendments shall be made with the understanding that the amended terms shall adhere as closely as possible to the donor's original intent for the gift, where appropriate.

Types of Gifts

The following methods of giving are encouraged and will be promoted through the Planned Giving Program:

- a) Gifts of Cash
- b) Gifts of Publically Listed Securities
- c) Gifts of Life Insurance
- d) Gifts of RRSP's and RRIF's
- e) Bequests by Will

a) Gifts of Cash

Gifts of cash will be accepted by BenefAction by way of cheque from a donor, accompanied by a signed and properly executed Cash Donation Form; or by online donation via credit card payment.

b) Gifts of Publicly Listed Securities

Notice of intended gifts of Publicly Listed Securities will be given to the Chief Executive Officer. Upon notification, the donor will be sent a Transfer of Securities Direction Instruction form and a Donor Agreement. Both are to be filled out by the donor and returned to BenefAction by the donor's advisor.

If the securities are in a brokerage account, they may be transferred by the donor's broker by instructing the broker to transfer the securities from his or her account to BenefAction's account. To transfer mutual fund shares, the donor and BenefAction need to send a Transfer of Securities Direction Instruction form to the mutual fund company along with other documents. For details on transfer of securities including mutual funds, please see appendix A.

The Chief Executive Officer or designate will work with the donor and his/her broker to provide direction as to the transfer of securities directly to BenefAction. Upon notification of the receipt of the securities, the Chief Executive Officer will:

- document the nature of securities donated;
- determine the fair market value of the securities at the time of ownership transfer as provided below;

- give direction for the issuance of an official donation receipt;
- assign any fees incurred in the transfer to the donation; as well as, any gain or loss on disposal;
- arrange for the liquidation of the investment by BenefAction's broker as soon as is practical and prudent, but usually immediately.

Although the fair market valuation of the securities for purposes of the official donation receipt can be either the closing price on the date of the legal transfer of ownership to BenefAction or the mean between the "high" and "low" on such date, generally Benefaction will use the closing price on the date of the gift.

The net proceeds from the sale of the shares will be directed to the Donor Advised Fund set up under the Donor Advised Fund Agreement. The net proceeds may be higher or lower than the amount on the official donation receipt.

c) Gifts of Life Insurance

BenefAction will accept gifts of some life insurance policies including:

- Transfer of ownership of a paid up policy.
- Policies in which BenefAction is named as the primary beneficiary.

BenefAction may be named as beneficiary of a life insurance policy and will issue a tax receipt to the estate of the donor on receiving all or a portion of the death benefits.

Notice of intended Life Insurance designations will be given to the Chief Executive Officer. Forms are available from the issuing Life insurance company either to transfer ownership or to name the charity as beneficiary, depending on the type of gift. Benefaction will obtain these forms from the agent or from the insurance company and have them completed per the instructions.

d) Gifts of RRSP's and RRIF's

BenefAction encourages individuals to designate BenefAction as the beneficiary of their registered plans. Your estate will be deemed to have made the gifts and be entitled to an offsetting charitable receipt. BenefAction's legal name is: **BenefAction Foundation**.

e) Bequests by Will

BenefAction encourages individuals to include a bequest in their Will. BenefAction's legal name is: **BenefAction Foundation**. Individuals may review sample language for bequests to BenefAction. As well an individual may prepare for BenefAction a Sample Bequest letter to provide greater specificity in terms of their wishes.

For individuals who have made adequate provision for their heirs, encouragement is given to naming BenefAction as a residual beneficiary. Bequests of specific dollar amounts are also encouraged. A donor may also include a contingency clause that provides a bequest to BenefAction after the death of a named "last survivor". In this case, a donor may provide to BenefAction all or a portion of the remaining estate following the death of the named beneficiary.

Donors will be advised to seek independent legal counsel in drafting of their Will. It is understood that members of the BenefAction team will not become involved in the preparation, execution or witnessing of a Will in which BenefAction is named as a beneficiary.

Appendix A – Instructions for Transferring Securities

SOURCE: PLANNED GIVING FOR CANADIANS. LORNE AND SOMMERS

I. Securities Held in the Account of Donor's Broker

In most cases, stocks and bonds will be held in street name by the donor's broker.

The donor should instruct his or her broker to transfer the shares identified for the gift to a brokerage account maintained by Benefaction. A representative of Benefaction will provide the information about its account to the donor's broker or advisor.

II. Securities in Possession of the Donor

Stocks and bonds held in certificate form could be endorsed to the charity. However, the preferred method is for the donor to deliver the securities in person – unendorsed and with no other blanks filled in by the donor – to the charity along with a properly executed stock or bond power document for each security. If this is not convenient, an unendorsed and otherwise blank stock certificate or bond (other than a bearer bond) can be mailed to Benefaction, in which case the donor will also need to execute a stock or bond power document to Benefaction and mail it in a separate envelope. The donor's signature on the stock or bond power document will need to be "guaranteed" by an appropriate person at the financial institution where the donor does business.

Alternatively, the donor could forward a stock certificate and stock power to the transfer agent and have the shares reregistered in the name of the charity. Because this process can often take several weeks, it is not recommended.

III. Valuation Used for the Gift Receipt

The value of the securities for purposes of the official donation receipt can be either the closing price on the date of the gift or the mean between the "high" and "low" on the date of the gift. Benefaction will accept the value based on either methodology.

The date of the gift is determined as follows:

For situations in which the donor has given a firm order to his or her broker to transfer securities to a separate account for Benefaction, the date of the gift is the date on which the securities are actually transferred into the charity's account without any impediment to Benefaction liquidating the securities. This normally occurs within a day or two after the order is received by the brokers transfer office.

If the security is (a) properly endorsed or (b) accompanied by a separate stock or bond power assignment, the date of the gift is the date on which the security was mailed or, if hand-delivered, received.

If the security is received in the name of the charity, the date of the gift is the date on the certificate.

IV. Mutual Fund Shares

Most funds require the following documents to effect the transfer:

Letter from the donor stating what shares he or she is giving, the account number from which the shares are coming, and when the transaction should occur. Some funds provide a form for the owner to complete and sign when redeeming or transferring shares.

Letter from the charity indicating the source of the expected gift. This is outlined on Benefaction's Transfer of Securities Direction Instruction form.

Contact the mutual fund company or the agent through whom the shares were purchased to confirm the procedure for transferring the shares and to make sure that all necessary paperwork has been completed.

Occasionally, mutual fund shares will be held in the donor's brokerage account. This allows for the possibility of an electronic transfer to the brokerage account for Benefaction.

V. Gifts of Appreciated Listed Securities

When a donor is making a gift with listed securities that have appreciated in value, it is very important that they be transferred to Benefaction before they are sold.

If securities are transferred to the charity and then the charity sells them, none of the gain will be taxed.

However, if the shares are sold and the proceeds sent to the charity, 50% of the gain will be taxed.

Make sure that the donors give explicit instructions to the broker to transfer the stock 'in-kind' to the Benefactions' account and then to await instructions from Benefaction before selling it.

Likewise, make sure that, when transferring appreciated mutual fund shares, the letter of instruction to the mutual fund company should say: "I request that you immediately transfer _____ shares from my account number _____ and into the account of the Benefaction Foundation. **Do not sell or redeem this donation from my account.**"

After Benefaction receives confirmation that the shares are in its account, it will authorize a sale.