



Brome-Missisquoi-Perkins
Hospital Foundation

DONATION ACCEPTANCE POLICY



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In this document, the masculine gender is used generically, solely to avoid making the text cumbersome.



GENERAL PRINCIPLES

Purpose of the Policy

Through this policy, the BMP Foundation aims to standardize its donation acceptance process (immediate or planned) by creating a guide that will serve as a guideline for donors (individual and corporate), the Foundation's management, and the Board of Directors. This will ensure informed decisions are made in compliance with applicable legal requirements and in accordance with the Foundation's mission.

This policy applies to all fundraising activities conducted by the Foundation or any entity or person authorized by the Foundation to act on its behalf.

This policy, and any amendments thereto, come into effect upon its adoption by the Foundation's Board of Directors. The Foundation's Executive Director is responsible for implementing this policy and reporting their decisions to the Board of Directors. The Executive Director may also refer any matter relating to this policy to the Board of Directors.

Mission of the Foundation

The Brome-Missisquoi-Perkins Hospital Foundation contributes to improving the accessibility and quality of healthcare offered to the residents of Brome-Missisquoi through the Brome-Missisquoi-Perkins Hospital and the services it provides beyond its walls. It also collaborates in funding the purchase of state-of-the-art equipment and contributes to the implementation of continuous improvement projects for healthcare and related services.

The Brome-Missisquoi-Perkins Hospital Foundation is a registered charity with the Canada Revenue Agency, registration number 89528 0477 RR0001.

Objectives of the Foundation

Since its creation in 1993, the funds raised have been reinvested in:

- Purchase of state-of-the-art medical equipment
- Modernizing medical facilities
- The professional development of healthcare staff
- The awarding of scholarships to students who are aiming for a career in the health field.



DEFINITION AND NATURE OF DONATIONS

Legal provision—Definition of a donation

Under the Income Tax Act, a gift is considered a voluntary transfer of property. There are three essential conditions for a contribution to be considered a gift.

1. There must have been a transfer from the donor to the registered charity. The donation is valid only if there has been a final transfer, by receipt of the donation by the charity.
2. The donation must also be made voluntarily.
3. The donation must be an asset such as cash or a donation in kind.

Nature of a donation

CASH AND QUASI-CASH DONATIONS

This type of contribution is a donation made in cash, by check, credit card, money order, payroll deduction, bank draft, or wire transfer. An official tax receipt is issued at the fair market value on the date the donation is received.

DONATION OF GOODS IN KIND

- A donation of property in kind is defined as a donation of movable or immovable property, excluding living beings. It includes donations of personal belongings, land or buildings, stocks, savings bonds, life insurance policies, etc. The donated property must be functional, meaning that it must allow for the immediate full use of all its functions upon taking possession and fulfill the intended need, without any intervention from the Foundation.
- Real estate: depreciable assets such as a commercial, residential, or professional building.
- Tangible movable property: property that must be used in the form in which it was made, such as equipment, a work of art, a historical object, archives, specimens, property that must be resold.
- Intangible movable property: copyright, patent, or other intellectual property rights, security (share, bond), insurance policy.

A donation of movable or immovable property must have fair market value at the time the property is donated. Once the donation is complete, the property becomes the sole property of the organization.

Acceptance of any donation requiring substantial additional expenditures or major adjustments to the investment policy statement is conditional upon the decision of the BMP Foundation Board of Directors.

If the donation is over \$1,000 and cannot be assessed at a recognized market value, an appraisal by an independent appraiser is required. In some cases, a second appraisal may be required by the BMP Foundation.

As a general rule, the BMP Foundation expects the donor to cover the costs associated with accepting their gift for the purpose of issuing an official receipt, including the cost of appraising the property. These costs will be deducted from the proceeds of the sale of the donated property, rather than charged to other funds or the BMP Foundation's general operating expenses, including costs related to the maintenance and sale of the property.



An official tax receipt is then issued at the fair market value of the property on the date the gift is received. Gifts of life insurance policies are a slightly more complex type of donation. When an individual transfers a life insurance policy to a registered charity and designates the charity as the owner and irrevocable beneficiary of the policy, the charity may issue an official receipt for tax purposes, in the amount of the “fair market value” of the policy at the time of the donation and for subsequent premium payments by the donor.

SERVICE DONATION

The BMP Foundation accepts in-kind contributions if it deems them beneficial to its activities. However, contributions of services, whether time, skills, or effort, are not considered donations for the purpose of issuing official receipts.

Therefore, the BMP Foundation cannot issue an official donation receipt for services rendered free of charge. It may issue an official donation receipt if an individual or company provides a service, pays for the service, and then reimburses the individual or company as a donation. In these circumstances, two transactions have occurred: the first being the provision of services and the resulting payment, and the second being the donation itself.



TERMS OF COMMITMENT

Donations made to the Foundation become the property of the Foundation upon receipt or payment and are non-refundable and cannot be returned to the donor. Donors may designate their donations for specific purposes or funds, in accordance with applicable laws and CRA guidelines. ([See conditions related to the donor's intent.](#))

1. **1. Donation:** commitment accompanied by full payment.
2. **2. Pledge of donation:** commitment with an agreement signed by the donor and the Foundation to make a donation in several instalments spread over a certain period of time or commitment payable in a single instalment, but at a later date than that of the commitment.
3. **Planned giving:** gifts by will, life insurance, trust, RRIF, RRSP, LIF and LIRA, charitable annuities.
4. The Foundation may provide donors with information or illustrations regarding the different ways to give but does not offer financial or legal advice. Donors are advised to consult their financial or legal advisor to ensure that the chosen option takes into account the specific circumstances and legal or tax provisions applicable to their situation.

Donations and other contributions must be made in the best interests of the Foundation's mission.



ACCEPTED DONATIONS

Depending on the type of donation, its acceptance is the responsibility of the Foundation's Board of Directors or management, as outlined in this policy.

Accepted donations may be immediate or deferred (bequests, life insurance, etc.).

The Foundation accepts cash donations as well as in-kind donations, also known as "non-cash donations." The types of in-kind donations that the Foundation may accept include, but are not limited to:

- [Donations of publicly traded securities](#)
- [Testamentary gifts including gifts from RRSPs or RESPs \(upon death\)](#)
- [Gifts of a life insurance policy and the proceeds of a life insurance policy](#)
- [Donations of real estate](#) (commercial or residential buildings), intangible movable property (such as copyrights, patents, or other intellectual property rights) or personal property (e.g., jewelry)
- [Donations of works of art;](#)
- [Donations of inventory items](#)

Cash donations

The Foundation may accept cash donations of \$1,000 or less from an individual, company, or other organization (excluding fundraising proceeds from multiple participants). Donations exceeding \$1,000 must be approved by the Foundation's Board of Directors.

Donations of publicly traded securities

Publicly traded securities include stocks, bonds, mutual fund units, and other similar securities that are traded on a stock exchange. Donations in the form of publicly traded securities are accepted based on the closing price on the date the securities are received by the Foundation's broker.

The Foundation manages the securities received in accordance with the investment policy adopted by its Board of Directors.



Testamentary gifts including gifts from RRIFs or RRSPs (upon death)

The official corporate name of the Foundation to be included in a testamentary gift clause is the Brome-Missisquoi-Perkins Hospital Foundation.

A testamentary gift can take several forms, including, among others:

- A specific bequest (a precise amount or a specific asset)
- A residual legacy (all or a percentage of what remains after the payment of debts and specific legacies)
- A universal legacy (all assets, sometimes divided among several beneficiaries)

In the case of a residuary or universal legacy, the Foundation will verify the solvency of the estate and reserves the right to accept or renounce the legacy after reviewing the estate's financial situation.

A tax receipt is issued to the estate when the gift is transferred to the Foundation. If the gift is a publicly traded security or any other in-kind gift, the recognized value will be its fair market value, determined in the same manner as during the donor's lifetime. However, before issuing a tax receipt to the estate, the Foundation must obtain a copy of the document designating it as the beneficiary of the legacy.

Unlike other Canadian provinces, which can designate a charity directly on an RRSP or RRIF form/document, in Quebec, designating a charity as a beneficiary of an RRSP or RRIF is only permitted through a will or within a life insurance product. Designating the Foundation as a beneficiary of an RRSP or RRIF (or the balance of one's RRSP or RRIF) will be treated like any other bequest.

The Foundation's staff, volunteers, or representatives cannot participate in the preparation of a will, act as executor of an estate, or serve as a witness to a will. However, a member of the Foundation's permanent management team can provide the donor or the donor's representative with any information or clarification regarding the Foundation's activities and the use of donations. Should staff, volunteers or representatives of the Foundation be appointed as executors of an estate, the Foundation will arrange for the management of the estate to be delegated to a professional.

The Foundation will make every effort to respect the donor's wishes. However, it recommends that the donor include a clause in their will that would allow the Foundation's Board of Directors, should the intended purpose of the gift become irrelevant or impossible due to major or exceptional circumstances, to allocate the gift differently while still respecting the donor's original wishes and intentions. In such a case, the contribution made through the bequest will be identified in the donor's name.

If the donor has not made any provisions regarding the allocation of their bequest, the Foundation's Board of Directors may, if it deems it appropriate, determine the allocation of this gift. These decisions will be made on a case-by-case basis, taking into account the Foundation's priorities.



Donations of life insurance policies

Donations through life insurance policies can be made in various ways, including:

TRANSFERRING AN EXISTING LIFE INSURANCE POLICY

The donor transfers ownership of their life insurance policy to the Foundation and names the Foundation as the irrevocable beneficiary. Once the transfer of ownership has taken place, the Foundation issues a tax receipt corresponding to the policy's market value at the time of the transfer, a value that must be determined by an independent actuary. The donor is responsible for the appraisal costs. If the policy is not fully paid up, the donor must commit to paying the remaining premiums. The Foundation issues the donor an annual receipt for premiums paid during the year.

THE DONATION OF A NEW LIFE INSURANCE POLICY

The donor takes out a new life insurance policy, of which the Foundation is the owner and the beneficiary. The donor receives a tax receipt equivalent to the amount of the annual premiums paid.

DONATING THE PROCEEDS OF A LIFE INSURANCE POLICY

The donor retains ownership of the life insurance policy with the Foundation but designates the Foundation as the beneficiary, in whole or in part, of the policy proceeds. The donor may also designate the Foundation as the beneficiary of all or part of the life insurance proceeds in their will. No tax receipt is issued during the donor's lifetime, but upon the donor's death, their estate receives a tax receipt for the amount received by the Foundation.

When the donor is also the insured person, they must pay the premiums directly to the insurance company unless otherwise arranged by the Foundation's management.

However, when the donor is not the insured person and the Foundation is the owner and beneficiary of the life insurance policy, the donor must then make a donation to the Foundation for the amount equivalent to the premiums to be paid and the Foundation makes the payment of the premiums to the insurance company.

In the event of the forfeiture of a life insurance policy due to the insured's failure to pay premiums, the Foundation's management must submit the case to the board of directors, which will then decide:

- To continue paying premiums with the funds at its disposal.
- To cancel the life insurance policy and collect the surrender value, interest, and dividends, if applicable.
- Use the cash surrender value of this life insurance policy to purchase a life insurance policy for a lower face value.



Donations of real estate, intangible personal property, or personal property

In-kind donations, including donations of real estate (commercial or residential buildings), intangible assets (such as copyrights, patents, or other intellectual property rights), and personal belongings (e.g., jewelry), must first be offered in writing. The donated asset must be functional, meaning that it must allow for the immediate and full use of all its functions upon receipt and fulfill the intended need, without any intervention from the Foundation.

Each donation is reviewed individually by the Foundation to determine whether it is easily transferable or essential to the Foundation's mission.

The donated property must therefore be useful to the Foundation's activities or projects or be sold so that the proceeds are allocated to the Foundation's general activities or as agreed upon with the donor.

A tax receipt is issued at the fair market value of the donation, as determined by the Canada Revenue Agency.

The donor must be advised that an appraisal is required to issue a tax receipt. If the fair market value is estimated to be \$1,000 or less, the appraisal may be conducted by a qualified member of the Foundation staff. If the fair market value is estimated to be more than \$1,000, the appraisal must be conducted by an independent expert. All costs related to the appraisal, transfer, and delivery of the gift are the responsibility of the donor unless the Foundation exceptionally agrees to cover them.

In some cases, the Foundation may deem a second appraisal necessary to confirm the fair market value of a gift. This second appraisal will also be at the donor's expense.

When a building or land is donated, the Foundation may request an environmental assessment. The cost of this assessment will be borne by the donor. Should contamination occur, the costs related to decontamination must be paid by the donor unless the Foundation exceptionally agrees to cover them.



Donations of works of art

EXCEPT FOR A DONATION MADE BY THE ARTIST WHO PRODUCED THE WORK OF ART

Since the Foundation does not have museum status and its primary mission is not to preserve or promote works of art, the tax treatment of a donation of artwork differs between the federal and provincial levels.

Donations of artwork, like any other in-kind donation, must be made in writing.

The federal tax receipt is issued in accordance with the provisions described in this policy, unless the gift is a cultural property recognized by the Canadian Cultural Property Export Review Board. In such a case, the Board has the legal responsibility to determine the fair market value, and the gift is governed by specific guidelines established by the Canada Revenue Agency for cultural property. At the provincial level, the Foundation can issue a tax receipt only after the sale of the artwork. This sale must take place before December 31 of the fifth calendar year following the year of the gift. The value of the tax receipt is the amount received from the sale.

The donor must be informed of this difference in the tax treatment of their donation and of the need to sell the donated artwork.

DONATION MADE BY THE ARTIST WHO PRODUCED THE WORK OF ART

Donating a work of art produced by an artist is considered a disposition of an asset listed in their inventory.

Donations of inventory items

Donating inventory items is defined as donating goods listed in a company's inventory or a work of art produced by an artist who is also the donor. The donated item must be functional, meaning that it must allow for the immediate full use of all its functions upon taking possession and fulfill the intended need, without any intervention from the Foundation.

The Foundation determines the fair market value of donated inventory items based on the published market price of similar donated items or the average published price of very similar products. If it is impossible to obtain the published price, the Foundation must consult an expert to determine the fair market value. In this case, the fees must be paid by the donor. The Foundation may request an expert opinion to establish the fair market value of inventory items. In such a case, the fees must be paid by the donor. The Foundation issues a receipt, both provincially and federally, based on the fair market value of the donated item.



REASONS FOR REFUSING A DONATION

Under no circumstances is the Foundation obliged to accept a donation that is offered to it.

Specifically, it refuses donations in the following cases:

- A donation that is contrary to the law or public order.
- A donation that could lead to any form of illegal discrimination.
- A donation that could compromise the autonomy, integrity, or mission of the Foundation.
- A donation in kind where the item is not functional, meaning that it does not immediately allow for the full use of all its functions upon taking possession in order to meet the intended need. The Foundation will not intervene in any way to make this item functional.
- A donation for which a consideration other than appropriate recognition is expected in return by the donor or any other person designated by him; however, the Foundation may accept this donation by deducting the value of the consideration from the amount of the donation.
- A donation that results in the donor directly determining the beneficiary, without an appropriate selection mechanism or acceptable administrative framework.
- A donation whose conditions ensure that the donor retains undue control over the use and management of the donated funds.
- A donation for which the donor cannot establish the legitimacy of the origin of the funds at the request of the Foundation.
- A donation that creates financial or other obligations that are deemed inappropriate or disadvantageous to the Foundation.
- A donation from an industry or company specifically excluded by the Foundation such as, but not limited to, the tobacco industry, the firearms industry, organized crime, adult content, an industry known to be harmful to the environment and/or involved in any exploitation of children or vulnerable people or animals, as well as any group promoting violence and discrimination in any form.
- A donation for which there is a probability that the value of the asset will be disputed.
- A donation for which there is a possibility that the property cannot be sold within a reasonable time.
- A donation for which there is a possibility of environmental risk associated with the possession of the asset.
- A gift for which there is a probability that the possession of the property will give rise to controversy.
- Any other reason deemed sufficient after consultation with the Board of Directors.



CONDITIONS RELATED TO THE DONOR'S INTENT

Donation not intended for any particular purpose

In the absence of instructions from the donor regarding the destination and use of the donation, the donation will be allocated to the priority needs of the BMP Foundation and used as efficiently as possible, in accordance with the objectives and responsibilities of the organization as defined by the Foundation's board of directors.

Donation intended for specific purposes

When a donor designates their gift to an existing dedicated fund, the BMP Foundation is responsible for ensuring that the gift is used in accordance with the fund's objectives and, where possible, with the donor's intended use.

If the donor designates their gift for specific purposes that do not correspond to an existing fund, the BMP Foundation must ensure, if the donor's intended purposes are acceptable and the amount justifies it, that a specific fund is established. Furthermore, the Foundation must confirm with the management of BMP Hospital that the donor's wishes correspond to a recognized need and that the hospital has the financial resources to cover the recurring costs of the project should it be implemented.

The creation of a specific fund, called a "Specified Fund," is usually subject to a predetermined duration based on the project's timeline, after which it is closed. Unless otherwise specified by the donor, any unused balance of a specified fund is transferred to the Foundation's general fund once the project is completed.

Capitalization

Donations may be capitalized in endowment funds governed by policies, including the investment policy statement, adopted by the Foundation's Board of Directors. If a donor wishes their donation to be capitalized, this request must be made in writing and signed by the donor. Capitalization may apply to the entire donation or to a portion thereof.

A designated endowment fund must be the subject of a written agreement approved by the Board of Directors. This agreement must describe the terms of payment of the donation (payment schedule), its allocation, and any other related conditions. This endowment fund must have a minimum amount established by resolution of the Foundation's Board of Directors. This amount is currently at least \$100,000. However, this does not prevent a donor from making a donation that will be added to an existing endowment fund.

Only the interest, or a portion of the interest, generated by the endowment fund's investment is spent each year. Part of the investment's interest is used to finance the intended project, while the other part is reinvested in the capital to preserve its value over the years and thus offset the effects of inflation.



An uncanceled donation is immediately usable. However, if there is a delay before the donation is used, the Foundation may capitalize on the available funds. The funds can then be withdrawn at any time thereafter.

A donation is capitalized when only the interest, or a portion of the interest, generated by the capital investment is spent each year. Part of the investment interest is used to finance the supported project, while the other part is reinvested in the capital to preserve its value over time.

Capitalization must be expressly requested and signed by the donor for a minimum period of 10 years, in a commitment form, memorandum of understanding, or capitalization agreement. It may apply to the entire donation or a portion thereof.

Funds received from a bequest or the gift of a life insurance policy, enabling the creation of an endowment fund, are also capitalized.

Amounts received to create or contribute to endowment funds are eligible for tax-deductible receipts issued by the Brome-Missisquoi-Perkins Hospital Foundation.

Gifts in kind kept with the intention of selling

The Brome-Missisquoi-Perkins Hospital Foundation is committed to selling this property and investing the proceeds as soon as possible. Generally, donations of property intended for sale are accepted provided it is immediately marketable. Donations of tangible personal property must be of sufficient value to cover storage, maintenance, sales, and administration costs.

In-kind donations kept for use by the organization

Examples of in-kind donations that the BMP Foundation may accept for its own use include furniture, equipment, software, and computer hardware.

Unless otherwise advised by the Board of Directors, any donation of real estate or personal property will be considered a donation with the intention of selling it.



RELATIONSHIP WITH THE DONOR

Privacy Principles

1. 1. Information disclosed to a representative of the BMP Foundation about a donor or potential donor that the Foundation is not obligated to make public is treated as strictly confidential, unless otherwise indicated by the donor. The donor may request that their donation be processed anonymously.
2. 2. Respect for the privacy of BMP Foundation employees, donors, volunteers, BMP Hospital patients (including other organizations working in the health sector in the Brome-Missisquoi region) and their families are fundamental for the BMP Foundation.
3. Data protection by individuals who work directly or indirectly with the BMP Foundation. This includes the use of keys that allow access to the Foundation's premises and its channels, security box, bank card, checks, donation receipts, etc.
4. Each employee or administrator undertakes to respect the confidential data of donors, employees, administrators, and volunteers of the Foundation as well as of patients and families who receive care from the BMP Hospital (including other organizations operating in the health sector of the Brome-Missisquoi region).
5. Furthermore, the individual undertakes, at all times, to keep confidential the information relating to the activities of the Foundation and not to disclose its content, nor to make any personal use of it or use it for the benefit of others.
6. This policy is effective from the date the employee or volunteer starts work and continues indefinitely and is subject to the personal information policy.



Follow-up, Amendment, and Location of the Policy

Elaborated by:	Francis Laramée, general director
Placement of the original document:	Onedrive: Fondation BMP\Confidentiel — Documents_POLITIQUES
Accessibility of the document (consultation):	Onedrive: Fondation BMP\Confidentiel — Documents_POLITIQUES Onedrive : Fondation BMP\Fondation BMP — Documents\EMPLOYÉ(ES)_POLITIQUES FBMP
Date of acception and resolution by the AC:	2020 December 14; Resolution #690
Responsible for the update:	General Administration
Amendment process:	<ol style="list-style-type: none"> 1. The general management prepares an amendment project by indicating the elements to modify. 2. The amendment project is expected to be on the agenda of an AC meeting and is sent to administrators prior. 3. The document is filed during the meeting, the administrator's comment (if relevant) and endorse the changes through resolution. 4. The person responsible for the update carries out the changes in the document, including the section for the follow-up, amendment, and location of this policy. 5. With a replacement of the original document, a copy of the resolution must be filed with the new version of the document. 6. In the locations where the policy is accessible, the documents are replaced by the updated version.
Update:	<ul style="list-style-type: none"> • June 28, 2021; Resolution #718 • April 25, 2023; Resolution #813 • October 23, 2024; Resolution #910 • October 19, 2025, Resolution #978