

Donation Acceptance Policy

Approved on September 8, 2021

Charitable organization no. 88807 6643 RR0001



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Introduction

The Conseil des arts de Montréal (hereinafter the Conseil) is a recognized charitable organization registered with the Canada Revenue Agency (hereinafter the CRA). Its mission is to support and recognize excellence in the creation, production and presentation of professional artistic endeavours by way of financial support, advice, and consultation and development initiatives.

The Conseil manages a range of support programs for arts organizations; the bulk of its work involves awarding grants to non-profit arts organizations and artist collectives.

As a public foundation, the Conseil also supports arts organizations by organizing targeted fundraisers to better support them in their activities and artistic missions.

The policy was introduced by Conseil management and adopted by the Board at its member meeting on September 8, 2021.

Accounting concepts

- The Conseil's reference fiscal year is from January 1 to December 31.
- The Conseil includes all donations received through solicitation in its cash flows for the fiscal year.

Purpose of this policy

The purpose of this policy is to summarize the procedures and guiding principles for accepting and administering donations to the Conseil.

This Donation Acceptance Policy upholds the Conseil's freedom to award grants to arts organizations. A donor may request that their donation be directed to one of the areas of action identified by the Conseil, but should not be intended to support a particular arts organization.

The policy is intended to:

- Give the Conseil greater freedom in its actions and ensure the integrity of the granting process;
- Ensure informed decisions are made for accepting donations;
- Ensure funds received are processed in accordance with tax legislation;
- Establish administrative, legal and accounting procedures for accepting and processing donations as well as granting recognition;
- Ensure an accurate report is produced on donations made to the Conseil;
- Ensure fair and consistent relationships are maintained with donors.

Key principles

Responsibility as a CRA registered charity

The Conseil is responsible for issuing official tax receipts in accordance with provincial and federal government legislation. The Conseil's registration number as a CRA registered charity is 888076643 RR 0001.

In accordance with this policy and applicable laws, the Conseil deposits all donations received and issues receipts to donors. In addition, the Conseil maintains an official record of all donations deposited.

Donations should help the Conseil fulfill its mission of supporting arts organizations and, when in line with its charter, supporting artists through financial assistance and support programs aimed at strengthening their management practices.

Application of the policy

This policy applies to all Conseil staff, Board members and volunteers.

It also applies to any legal entity designated by the Conseil.

Definition of donation

The CRA defines a donation (gift) as a voluntary transfer of property by the donor without consideration. However, donations to charities such as the Conseil are generally entitled to receive a tax receipt subject to legal requirements.

The Conseil therefore issues tax receipts for donations of \$50 or more.

To ensure the proper continuation of its activities, the Conseil reserves the right to allocate, where possible, between 3% and 5% of any donation received to the Conseil's working capital. The Conseil determines this percentage at its sole discretion and may modify it at any time.

The following transactions are not considered philanthropic and are not eligible for tax receipts:

- Donated services: while the Conseil welcomes donated services by individuals and legal entities, it will not issue tax receipts for donated services;
- Purchase of a Conseil item or service;
- Sponsorship of artistic projects or research for which the donor retains ownership, including intellectual property;
- Donation of a debt owed by a natural person or legal entity, or a percentage of the share capital of a corporation with which the charity does not deal at arm's length;

- A donation of less than \$50: while this represents philanthropy, the Conseil only issues tax receipts for donations of \$50 or more.

Relationship with donors

Donor rights

The Conseil takes the necessary measures to ensure its donors enjoy the following fundamental rights:

1. All information related to their donation will remain confidential, except for compliance with CRA and Revenu Québec reporting, and will not be used for any other purpose, and that any request for anonymity will be respected;
2. All volunteers, Board members, philanthropy managers, staff and professionals employed by the Conseil have signed a non-disclosure agreement;
3. Any promise to recognize their donation will be respected;
4. Their donation will be used for its intended purpose;
5. To be informed of the names of members of the Conseil Board of Directors¹ and have access to the Conseil's latest financial statements;²
6. To expect that all relationships with individuals representing the Conseil are professional in nature;
7. To be informed whether Conseil representatives are volunteers, employees or professionals mandated by the organization to solicit donations;
8. To be informed if an organization acts as a representative for the Conseil in soliciting donations;
9. To expect any representative of the Conseil to declare an existing conflict of interest so they may be replaced by an impartial representative of the Conseil³;
10. To be able to ask any question regarding a donation and receive an honest and prompt response.

Responsibilities to donors

In soliciting donations, staff, Board members, volunteers and Conseil representatives have an ethical responsibility to donors. Their interests and well-being are respected at all times.

All of the above individuals and legal entities must comply with certain applicable Conseil conditions and policies.

¹ [Members of the Board of Directors](#) of the Conseil des arts de Montréal

² The Conseil's [2019 Annual Report](#) including the Financial Statements and list of grants

³ [Board governance and regulations](#)

Conflicts of interest

Any person or legal entity acting on behalf of the Conseil must declare any conflict of interest.⁴

For the Conseil, a person may be an employee, member of management, committee member (Evaluation or other), member of the Board of Directors, volunteer, jury member, fundraising consultant or any other designated person fulfilling a mandate for the Conseil.

For the Conseil, legal entities are either representative organizations in connection with fiscal sponsorship, partner organizations contracted to fundraise, fundraising consulting firms or any other designated legal entity carrying out a mandate for the Conseil.

Confidentiality

All persons assigned to fundraising are bound by a confidentiality clause. Any information obtained through fundraising campaigns must not be used for personal gain or in the interests of another organization.

Conseil staff, Board members, volunteers and representatives are required to follow professional behaviour and ethics guidelines.

Professional advice

Conseil staff, Board members, volunteers and representatives are available to assist the donor through their donation process. The Conseil considers these individuals as experts in its actions and mission to guide the donor through their donation process.

The donor may also consult with a legal or tax advisor as needed to complete the donation process. The Conseil can recommend an advisor to a donor when requested. The donor is free to choose their own advisory services at their own expense.

Stewardship and recognition

The Conseil will provide all donors with an acknowledgement of receipt upon receiving their donation. A tax receipt will be sent for donations of \$50 or more, once approved.

The Conseil grants additional recognition to donors in accordance with its recognition plan for the various fundraising initiatives. All requests for anonymity will be strictly adhered to.

⁴ The Conseil des arts de Montréal's definition of and procedures for a conflict of interest: <https://www.artsmontreal.org/en/ethics> (French only)

Accepting donations

The Conseil maintains an accurate record of donations received during the year. The accounting year for donations is the same as the Conseil's fiscal year, from January 1 to December 31. Results are presented in the Conseil's annual report.

The Conseil may accept or refuse any donation. Under no circumstances is the Conseil obligated to accept a donation. In accordance with the recognition plan, the final decision to accept or refuse any proposal to name a recognition related to a donation rests with the Conseil.

The Conseil must ensure that any intention to donate is consistent with its mission and, ideally, with the priorities set out in its strategic plan.

Acceptance of a donation that involves a proposal to name a recognition or space is conditional upon final acceptance by the Conseil.

The first recognition consists of a tax receipt accompanied by a document prepared by the Conseil thanking them for their donation. These documents are recognized as the official acceptance of the donation. The Conseil issues tax receipts for all donations of \$50 or more.

Tax receipts

The Conseil issues official tax receipts in accordance with applicable legislation. The Conseil will provide all donors with an acknowledgement of receipt upon receiving their donation.

Each donation received will undergo an approval process:

- Donations of all types and donor requests are first received by the Project Manager—Arts and Philanthropy
- Cash donations of \$1,000 or more must be approved by management
- Senior management will consult with other departments and any other relevant individual on whether to accept or refuse donations or requests for donations other than cash

Once the donation has been approved and received, the donor will receive a tax receipt for their donation of \$50 or more.

1. All official donation tax receipts are issued in accordance with applicable tax legislation and CRA policies in effect at the time.
2. For an official tax receipt to be issued, the donation must be considered a "gift" within the meaning of the Income Tax Act.
3. The Conseil issues all official tax receipts exclusively in the name of the donor, whether they are a person or legal entity.

4. The Conseil will not issue an official tax receipt if it cannot confirm that the donor's name is the same as the name on the receipt.
5. The Conseil issues official tax receipts for anonymous donations in accordance with CRA guidelines.
6. All official donation tax receipts are dated the calendar year in which the donation is received. Within the Conseil's administrative means, when a donation is accepted on or after January 1 and the postmark indicates a date prior to the end of the previous calendar year, the official receipt is dated December 31 of that year. The Conseil reserves the right to allocate the donation to the current year if it considers that the date of the donation is too far from that of the postmark.
7. The Conseil issues an official tax receipt for each donation made during the Conseil's fiscal year. For donations in kind, a separate receipt is issued.
8. The Conseil may replace an official tax receipt at the donor's request to make corrections to the address or name. The replacement receipt will indicate that it is a duplicate of the original.

Non-acceptance and revocation of donations

The Conseil reserves the right to refuse a donation if it considers the conditions of the donation too restrictive or contrary to its interests.

The Conseil may also recommend that the conditions be revised to be less restrictive. Subject to the decision of the Board of Directors, a donor may provide guidance on the use of their donation in a particular program or area of action.

The Conseil will not accept donations, form relationships or accept external support that could reasonably compromise it.

Types of refused donations

The Conseil des arts de Montréal may refuse the following donations:

- A donation of art or cultural property;
- A donation that is illegal or contrary to public order;
- A donation that is contrary to the Conseil's values;
- A donation that could compromise the autonomy, integrity or mission of the Conseil or that would result in undue liabilities for the Conseil;
- A donation in return for which the donor expects a consideration or benefit other than appropriate recognition;
- A donation that is made to a party other than the Conseil;
- A donation that, through its conditions, result in the donor retaining undue control over the use and management of the donated funds;

- A donation for which the donor is unable to establish the legitimacy of the source of the funds;
- A donation that results in financial, administrative or other obligations that are deemed inappropriate or disadvantageous for the Conseil;
- The Conseil reserves the right to refuse any donation it deems to be non-compliant with this Policy and to verify the acceptability of all donations received.

Acceptance rules

Cash donations

Cash donations are provided to the Conseil in the following forms:

- By credit card using an online form on the Conseil's website;
- By cheque in the name of the Conseil des arts de Montréal;
- By electronic transfer.

Donations in the form of marketable securities

Donations in the form of marketable securities (shares, bonds, mutual fund units, etc.) are accepted. The contributions will be recorded at the average sale price on the day of the transaction and transfer. In accordance with Conseil policy, shares are liquidated at the earliest opportunity.

The amount on the tax receipt is the fair market value based on the closing price on the date of the physical transfer of the marketable securities certificate or on the date of electronic receipt of marketable securities by the Conseil's broker. The fair market value of the securities is determined at the time of donation, that is, on the date the securities are received by the broker.

RRSP or RRIF donations

Donations in the form of RRSPs or RRIFs are accepted on the condition that the Conseil is designated as a beneficiary of the plan and assumes no responsibility. RRSP and RRIF funds do not require a legal document or trust agreement.

The donor ensures that the beneficiary information is recorded on the contract and that the institution holding the retirement account is notified.

The Conseil is available to support the donor in the donation process and provide more information on the options available regarding the donation. However, the Conseil encourages the donor to consult with a financial advisor (financial planner, accountant or tax professional) or legal advisor (notary or lawyer) who is familiar with their personal situation. These professionals will be able to explain how to plan the donation wisely and can point the donor toward the most appropriate formula.

The Conseil can recommend suitable professionals to a donor upon request. The donor is free to choose their own services at their own expense.

Donation through life insurance

Planned donations are part of a financial, tax or estate planning process. However, the Conseil encourages donors to consult with a financial advisor (financial planner, accountant or tax professional) or legal advisor (notary or lawyer). These professionals will be able to explain how to plan their donation wisely. They will also inform them of the tax benefits specific to their financial situation.

Intentions regarding insurance policies and trust agreements will also be retained by the Conseil, which will also be responsible for their receipt. A memorandum of understanding confirming the donor's wishes will be prepared to be signed by the donor and the Conseil.

Each donation through life insurance will require an agreement.

Donation of a new life insurance policy

A donor may offer the Conseil a newly underwritten life insurance policy.

Where the Conseil is the irrevocable policyholder or beneficiary of the policy, an official receipt may be issued to the donor for payment of the annual premiums in accordance with the standards prescribed by the Canada Revenue Agency. If the donor names the Conseil as a beneficiary and remains the owner of the life insurance policy, their estate will receive a tax receipt for the proceeds of the policy upon the donor's death.

Transfer of a fully paid-up life insurance policy

A donor may donate an existing life insurance policy and name the Conseil as the irrevocable owner and beneficiary of the policy. The Conseil will then issue a tax receipt for the current fiscal year for the market value of the policy.

Transfer of an existing life insurance policy with ongoing premiums payable

A donor may donate an existing life insurance policy by naming the Conseil as the owner and beneficiary of the policy. The Conseil will issue a tax receipt for the current taxation year for the market value of the policy. A tax receipt is also issued for the amount of premiums paid or to be paid by the donor at a later date, if applicable.

The Conseil will consider, on a case-by-case basis, any offer of a donation through life insurance, specifically offers that differ from the examples listed above.

In-kind donations

All donations in kind including gifts of ownership, movable assets, computers and works of art must be evaluated according to CRA standards to determine the fair market value for the tax receipt.

A donation of movable property (excluding works of art) or real estate may be received, held by the Conseil and used for its purposes or those of the Conseil.

The Conseil reserves the right to refuse any donation in kind that could compromise its autonomy, integrity or mission or that would result in undue liabilities for it.

Donations of art and cultural property

The Conseil does not accept donations of art or cultural property.

Any person wishing to donate a work of art or cultural property may consult the city of Montréal's Public Art Bureau.⁵

Donations of services

The Conseil considers donations of services to be skills-based volunteering. The Conseil welcomes this type of involvement within its organization. However, no tax receipt will be issued for donated services.

Charitable bequests

Any charitable bequest made to the Conseil constitutes a charitable donation. An official receipt is issued to the estate of the deceased after the transfer of the asset(s) to the Conseil. Types of charitable bequests:

- A specific bequest, either a specific amount or a particular property;
- A residual bequest, which is all or a percentage of the remainder of the estate after payment of the debts and specific bequests;
- A universal bequest, which is all of the assets, sometimes divided among many beneficiaries;
- Designating a charity as beneficiary of a retirement savings plan, pension fund or life insurance policy.

Any donation received through an estate must be evaluated and will go through the acceptance process.

Any intentions of charitable bequests (legacy donations) will be retained by the Conseil, who will be responsible for receiving and evaluating them.

⁵ Ville de Montréal. Culture, Donations: <http://ville.montreal.qc.ca/culture/giving> (French only)

Terms and conditions for allocating donations

Awards and grants

All grant and award programs must be established in accordance with the Conseil's priority actions. Donors may choose to create a new award or grant program with their donation or direct their donation to an existing award or grant.

The Conseil has established processes for creating a new grant or award program through a donation. A donor wishing to implement such an initiative should contact the Conseil to better understand the opportunities available based on their intentions and the Conseil's priority actions.

A donor may donate an amount of their choice to an existing Conseil award or grant.

The Conseil will consider suggestions from donors to create a new award or grant program that does not meet the Conseil's priority actions. The Conseil reserves the right to refuse any type of donation for the creation of a new award or grant program that does not comply with its mission, could reasonably compromise the Conseil or is deemed non-compliant with this Policy.

In consultation with the Conseil, donors may give their name to awards and grants or name them to recognize the achievements of a friend, colleague, artist or loved one.

Donations for an award or grant

The Conseil reserves the right to combine several donations for the same award or grant program while respecting the wishes of the donor within the limits of its resources.

The Conseil may, at its discretion and where possible, charge a 4% grant management fee on the donation prior to payment to the recipient. These fees are at the sole discretion of the Conseil and subject to change at any time.

Managing an award or grant

Once accepted, these donations are managed by the Conseil. Awards and grants must be evaluated by a jury or committee established by the Conseil before being awarded. The Conseil takes full responsibility for managing and selecting winners in accordance with its own governance and payment rules. The Conseil has absolute discretion as to the use and management of the donation for an award and grant program while respecting the donor's wishes to the extent possible.

Dedicated donations

Donations should help the Conseil fulfill its mission of supporting arts organizations and, when in line with its charter, supporting artists through financial assistance and support programs aimed at strengthening their management practices.

A donor may request that their donation be directed to one of the areas of action identified by the Conseil, but a donation should not be directed to support a particular artistic organization or artist at the request of the donor.

The Conseil will consider suggestions received from donors while ensuring that they align with its mission and strategic priorities. The Conseil reserves the right to refuse any type of dedicated donation that does not align with its mission, could reasonably compromise the Conseil or is deemed non-compliant with this Policy.

Capitalized donations

Capitalized donations must include a clause that grants the Conseil the opportunity to change the original terms and conditions should they cease to be applicable so it can channel the donation to the highest priority program while trying to maintain the donor's initial objective.

In addition, all capitalized funds received must be invested so that the initial capital remains whole. The return must also be sufficient to fund the activity identified by the donor and agreed upon at the time of signing the agreement. Ultimately, capital growth should offset the effects of inflation over time. It is therefore important to maintain conservative and safe investments to respect the intentions of donors who wish to establish endowment funds that will be inalienable and thus ensure their sustainability.

Each capitalized donation will be subject to an agreement.