



**Fondation**  
**Charles-Bruneau**

**POLICIES, PROCEDURES, AND CODES OF ETHICS**

**ASSOCIATED WITH THE PLANNED GIVING PROGRAM**

**Adopted March 23, 2013 by the Board of Directors**

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## **1. PREAMBULE**

The guidelines presented in this document are intended to ensure:

- Informed decision-making with regard to the acceptance of gifts;
- Compliance with all provincial and federal laws and regulatory requirements;
- The use of effective administrative, legal, and accounting practices;
- The production of accurate reports on the gifts made to the Fondation Charles-Bruneau;
- Consistent, fair, and equitable relationships with donors.

## **2. MISSION**

The Fondation Charles-Bruneau's mission is to give all children with cancer the best chances of recovery by financing research and supporting the development of projects in the area of pediatric hematology and oncology. The Fondation operates in fashion that is complementary to public funding. The Fondation is a charitable organization registered with Canada Revenue Agency. Its charitable registration number is 131903874RR0001.

The directors of the Fondation Charles-Bruneau set themselves the goal of developing and implementing a planned giving program allowing it to secure the long-term future of its activities. Note that this document draws on the policies, procedures, and codes of ethics of several organizations.

## **3. OBJECTIVES**

This policy and procedure is a framework that aims to clarify the objectives, define the terms, and the rules for the implementation of the major gifts program and the specific responsibilities of the persons and/or organizations involved.

Once adopted by the Board of Directors, these policies, procedures, and codes will form an integral part of the rules governing the management of the program to manage and administer funds. They may be revised and amended as required at the recommendation of the Planned Giving Committee, to then be approved by the Planned Giving Coordination Committee. The Committee will be responsible for adopting the amendments through the Fondation's Board of Directors.

## **4. DEFINITION OF GIFT PLANNING**

According to the Canadian Association of Gift Planners, "Strategic charitable gift planning is a donor-centred process of planning current and future charitable gifts in a way that meets the donor's philanthropic goals and balances personal, family and tax considerations."

- It is a voluntary and carefully-considered gesture, which is part of a financial planning process.
- In this way, the donor engages in a philanthropic act towards a beneficiary charity such as the Fondation Charles-Bruneau and benefits from tax and estate planning advantages.

## 5. TYPES OF GIFTS

### *Immediate donations*

- Cash gifts
- Gifts in kind (property, securities, works of art, jewelry, etc.)
- Gifts of registered plans

### *Deferred gifts*

- Bequests
- Donations of products in a life insurance contract\* (may also be considered an immediate donation)
- Charitable annuities
- Donations through a charitable remainder trust

Other terms and/or conditions for gifts or specialized products may be adopted periodically, subject to approval by the Planned Giving Coordination Committee, who, if required, may consult with the Board of Directors to adopt a resolution.

### **5.1 Immediate planned giving**

#### **5.1.1 Cash gifts**

This donation category includes amounts in cash, cheques, credit cards and pre-authorized contributions, usually monthly.

#### Guidelines

- The Fondation Charles-Bruneau has a general policy of informing, serving, guiding, or otherwise assisting donors who wish to establish funds under the auspices of the Fondation Charles- Bruneau, while in no way exerting undue pressure or persuasion. In particular, when a donor contemplates an irrevocable transfer of assets, every effort must be made to ensure that the transaction does not hinder or significantly affect the donor's standard of living or finances.
- The persons acting on behalf of the Fondation Charles-Bruneau must, in all cases, strongly advise donors to discuss their gift with independent legal and tax consultants, for a thorough understanding of all the aspects and implications for them and their estate.
- Specifically, for all gifts under \$10,000 the donations must be reviewed and approved by the executive management. All gifts over this amount must be studied by the Planned Giving Coordination Committee, which shall submit them to the Board of Directors, for approval, with their recommendations. The Committee must ensure that the gifts meet the FCB's gift acceptance policy.
- Gifts that have been accepted or refused will be submitted to the members of the Board of Directors on a regular basis.
- The donors who wish it may create endowment funds to allow the Fondation to ensure its long-term survival. The funds must be held for a minimum of 10 years and the donors may also determine the purposes for which the fund revenues will be used. In other words, the Fondation may be authorized to use only the interest or part of the capital for its management purposes or any other specific project. Donors may also determine the amount to be withdrawn every year, until the total donation amount is spent.

- The Board of Directors of the Fondation Charles-Bruneau has determined that the minimum value to establish an endowment fund is \$5,000<sup>1</sup>.

### **5.1.2 Gifts in kind (donations of property and securities)**

To be recognized as a donation in kind, the donation must be comprised of a tangible asset (shares, bonds, and other listed, publicly-traded securities, segregated fund contracts, real property and other tangible capital assets, certified cultural property, capital goods or company inventory) and not a service.

This type of gift allows the donor to transfer an asset in a simple manner, without having to liquidate or sell it. The donor is entitled to a tax receipt for the value of the asset. The donor is subject to a tax on 50% of all capital gains made in the year of the disposition.

#### Guidelines

- All gifts shall be subject to study and approval by the executive management. Before accepting a gift, the Fondation shall obtain pertinent information on the assets in question, including a copy of any valuation made for the donor's account. The Fondation Charles-Bruneau reserves the right to conduct its own valuation of the assets that form the gift, before accepting them and issuing a receipt for a charitable gift.
- Specifically, all gifts under \$10,000 shall be subject to study and approval by the executive management. All gifts over that amount shall be subject to study and approval by the Committee for the Coordination of Planned Giving, who will submit them to the Board of Directors, for approval, with their recommendations. The Committee must ensure that the donations comply with the FCB's donation acceptance policy.
- Volunteer services or time volunteering are not considered as donations eligible for tax credits

#### **5.1.2.1. Gifts of property**

The total amount of the gift is made on the basis of market value at the time of donation. The costs and expenses associated with the transfer of the property such as assessment, inspection, certificate of location and notary shall be borne by the donor.

Prior to accepting a gift of this type, the executive management must ensure that there is no legal obligation connected with the property. However, the acceptance or refusal of gifts of property is strictly a matter for the Board of Directors.

#### Guidelines

- The donor shall secure a qualified appraisal of the property.
- Unless the Fondation Charles-Bruneau has reasons to believe that the appraisal of the

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<sup>1</sup> According to Centraide Québec and Chaudière-Appalaches, endowment funds are created by individuals, families, organizations, and even companies. These non-expendable funds are created by a charitable organization with the goal of supporting it continuously by drawing on the revenues from the capital. The donor may put the fund in their name, in that of their family, or in memory of a loved one. The donor may also donate the revenues of their fund to one or more causes they hold dear.

property does not reflect the intrinsic value of said property, it shall issue a receipt for a charitable gift in the amount of the appraised value (in the case of gifts of residual interest, in the amount of the present value of the remainder interest at the time of donation, based on expert appraisal). However, the FCB reserves the right to obtain its own evaluation and to issue a receipt reflecting the value of that expert appraisal.

- Specifically, all gifts under \$10,000 shall be subject to study and approval by the executive management. All gifts over that amount shall be subject to study and approval by the Committee for the Coordination of Planned Giving, who will submit them to the Board of Directors, for approval, with their recommendations. The Committee must ensure that the donations comply with the FCB's donation acceptance policy.
- The FCB shall determine if the donor has a clear title to the property.
- The FCB shall assess others factors, including restrictions pertaining to zoning, marketability, and the property's current use and cashflow, to determine if accepting the gift is in its interest.
- Typically, the FCB would ask the donor to provide an environmental assessment, which may include an environmental audit. If the assessment is deemed unacceptable by the Fondation for its own reasons, the donor must complete an environmental assessment at their own expense. Accordingly, the Fondation shall only accept the property under the following conditions:
  - it contains no toxic substances;
  - if it contains toxic substances, that these substances be removed or that other measures be taken to ensure that the FCB does not assume any responsibility in this regard.

#### **5.1.2.2. Gifts of securities (stocks, bonds, futures, and guaranteed investment certificates)**

This type of gift has proved to be attractive for donors, since the capital gains tax on publicly-traded securities donated to charity was eliminated in 2006.

#### Guidelines

- The securities must be endorsed by the donor or transferred to the Fondation Charles-Bruneau along with a transfer form signed by the donor. They may also be transferred electronically by their broker directly into an account the FCB holds without a brokerage firm.
- The fair market value of gifts of publicly-traded stocks, bonds, or other securities is assessed by a professional with expertise in this field, the day the amounts associated with the gift are received by the organization.
- Specifically, all gifts under \$10, 000 shall be subject to study and approval by the executive management. All gifts over that amount shall be subject to study and approval by the Committee for the Coordination of Planned Giving, who will submit them to the Board of Directors, for approval, with their recommendations. The Committee must ensure that the donations comply with the FCB's donation acceptance policy.
- The persons authorized to conduct financial transactions on behalf of the organization shall exercise diligence and proceed with the redemptions immediately upon receipt, unless this transaction is so significant that it may adversely affect the value of the securities.
- Upon the sale of securities, the Fondation Charles-Bruneau shall pay the commission and

fees for the evaluation, as required.

### **5.1.3 Gifts of registered plans (RRSP, RRIF)**

This type of gift allows a person whose assets are largely frozen in registered plans to make a significant donation. Whether during their lifetime or after their death, the donor may make a donation of all or a portion of their retirement savings (RRSP or RRIF) to the Fondation Charles-Bruneau without having to pay taxes and while maintaining, at all times, their right to revoke their decision and designate a new beneficiary.

#### Guidelines

- The Fondation Charles-Bruneau may encourage immediate gifts of assets from retirement savings plans, on condition that, after having consulted with professional advisors, the donor concludes that they can divest these assets without compromising their financial security during their retirement years, and this, with acceptable fiscal consequences.
- The Fondation Charles-Bruneau may also encourage a donor to designate it as beneficiary of a retirement savings plan, on condition that, after having consulted with professional advisors and members of their family, the donor deems it compatible with their estate plan.

## **5.2 Deferred planned giving**

### **5.2.1 Bequests<sup>2</sup>**

Bequeathed assets may take various forms (e.g. cash, securities, real property or tangible personal property) and the gift may be revoked any time by a simple amendment to the will. The donor is entitled to a tax receipt applicable to a tax return.

#### Guidelines

- The Fondation Charles-Bruneau shall provide donors and their advisors sample bequest models for designated and non-designated gifts, including endowment funds, to ensure the appropriate wording for these provisions. Donors are also asked to provide details of their testamentary provisions and, if they wish, a copy of the section of their will designating the Fondation Charles-Bruneau.
- During the administration of estates with bequests earmarked for the Fondation Charles-Bruneau, the executive management, in tandem with the Fondation's legal advisors, shall act as the official representative of FCB for the purposes of the bequest.
- The bequest may assign a gift to the Fondation Charles-Bruneau according to a separate contractual agreement between the testator and FCB. For example, such an agreement might become necessary for a specific asset such as a piano or a painting.

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<sup>2</sup> See Appendix 1 "Sample wording for bequests for use by lawyers and notaries".

## 5.2.2 Gifts of a product from a life insurance contract

By designating the Fondation Charles-Bruneau as owner and beneficiary of a product of a life insurance contract in their lifetime, the donor makes a substantial gift without having spent a large sum or penalizing their heirs upon death.

The donor purchases life insurance and designates the Fondation Charles-Bruneau as owner and beneficiary, in whole or part, of the contract. The donor is subsequently required to make regular payments to the organization or to the insurance company in order to pay the required premiums for the contract to remain in force. The product will pass directly to FCB upon the death of the donor, without anyone disputing the transaction, since, the FCB being the owner of the insurance contract; it is not deemed to be part of the donor's estate. In short, there are many ways to make a gift of a life insurance policy to the Fondation.

The donor may:

- assign irrevocably a paid-up policy to the Fondation Charles-Bruneau;
- assign irrevocably a life insurance policy whose premiums remain payable (see example above) to the Fondation Charles-Bruneau;
- designate the Fondation Charles-Bruneau as primary beneficiary or legatee of the products of a life insurance policy.

### Guidelines

- All donations of life insurance policies constitute acceptable gifts for the Fondation Charles-Bruneau. In the event that the donor makes the gift of a policy whose premiums remain payable, the FCB shall encourage the donor to pay the said premiums.
- The Fondation Charles-Bruneau reserves the right to pay the premiums, cancel the policy in exchange for a monetary sum, or choose a paid-up policy of lower value.

## 5.2.3 Gift annuities

The annuity consists of gift of capital to the Fondation Charles-Bruneau in exchange for a guaranteed regular income for a fixed period of time. As Fondation Charles-Bruneau is not authorized to issue an annuity, the donor, assisted by the Fondation, shall purchase an annuity from an insurance company and designate the donor as primary beneficiary of this annuity. Thus, the life insurance company will pay the donor an annuity for life. Upon the death of the donor, the residual is paid to the organization as the secondary beneficiary. This annuity is set according to the capital ceded and the life expectancy of the beneficiary or beneficiaries<sup>3</sup>. Annuities therefore allow donors to donate gifts in their lifetime without affecting their financial security.

The best-known annuities are life annuities and annuities certain. **Life annuities** are paid for the entire life of the person who is the beneficiary of this type of annuity. **Annuities certain** are redeemed over a fixed period. At the end of the annuity contract, the person stops receiving amounts and the contract is terminated.

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<sup>3</sup> Source: Le don planifié (2006), UN HÉRITAGE À PARTAGER MD Québec.



## Guidelines

- The Fondation Charles-Bruneau may issue reinsured gift annuities of a minimum value of \$40 000, due to the significant set-up costs;
- The donor may determine for what purpose the gift may be used (amount retained), subject to approval by FCB;
- The FCB's executive management or any other persons to whom the Fondation's Board of Directors has delegated the responsibility, shall choose the commercial insurance company and negotiate the terms and conditions of an annuity contract. Only highly-rated insurance companies can reinsure an annuity.

### **5.2.4 Gifts of charitable remainder trusts**

A charitable remainder trust is a type of gift of residual interest. The donor (the "trustor") transfers an asset to the trustee, who holds it and ensures its management. The asset's net revenues are paid to the donor/trustor or designated beneficiary, or both. When the trust is terminated (upon the death of the beneficiaries, or the end of a fixed period), the remaining funds shall be paid to the Fondation Charles-Bruneau. If the trust is irrevocable, the donor is entitled to a receipt for a charitable gift in the amount of the current value of the residual interest at the time of the trust's termination.

## Guidelines

- The charitable remainder trust may be funded by means of cash amounts, securities, or real property. All gifts of securities shall be the object of a detailed, preliminary review.
- The trust contract shall be written or reviewed by donor's legal advisor. The Fondation Charles-Bruneau can provide the donor's legal advisor with a model trust contract, but shall not sign the agreement until the donor's legal advisor has established that the trust contract is a formal contract, and that the gift is appropriate according to the donor's situation.

All gifts are handled individually and all decisions relating to the acceptance or refusal of gifts can only be made with reference to policies previously approved by the Board of Directors, while drawing on the organization's precedents.

At any time, the donor is encouraged to consult with their accountant, their lawyer, their notary, their financial planner, or any other professional who can advise them of the fiscal consequences of their gift and the best ways to benefit legally from available tax credits.

The principles outlined in this policy also apply to the creation of personalized funds, deferred contributions, and endowment funds intended for the Fondation.

## **6 CODE OF ETHICS**

### **6.1 Code of ethics toward donors**

The following guidelines shall inform relationships between parties involved in the process leading to the donation:

- The donor freely chooses to support the Fondation;
- The Fondation must ensure that all donors, current or prospective, are treated with all the respect and dignity that they are due. The donor shall establish their planning according to their understanding or by following the advice of their legal, fiscal, or financial advisors, but may request the help of the Fondation Charles-Bruneau and its advisors to make the most appropriate gift.
- The donor, at any given time, may receive the help from the Fondation to make a donation in the most appropriate fashion. The executive management and the Board of Directors shall designate a person responsible for accompanying the donor throughout the process of establishing a significant gift and guiding them through the different steps in the project. Furthermore, this person must ensure that the project complies with the Fondation's policies.
- The Fondation Charles-Bruneau shall establish a planned giving committee consisting of persons authorized to maintain relationships with donors and will keep an updated list. The relationships between the persons must be clear and established from the beginning of the relationships. Furthermore, all persons involved shall commit to respecting the code of ethics to follow.

Any person who wishes to make a donation to the Fondation Charles-Bruneau has the right to:

- Be aware of the mission of the Fondation and the use of the gifts it receives;
- Know the names of the persons sitting on the Fondation's Board of Directors and expect the Board to demonstrate sound judgement in the exercise of its duties.
- Request a copy of the most recent annual report of the FCB;
- Request a copy of the most recent annual report of the FCB;
- Ensure that planned gifts are used to ensure the Fondation's long-term viability;
- Receive the recognition they deserve in accordance with the established program;
- Ensure that information concerning them or their gift is kept strictly confidential;
- Know who (volunteer, employee, or a contracted third party) is soliciting them on behalf of the Fondation;
- Have their name and address, if they wish, corrected or withdrawn from the Fondation's solicitation lists;
- Feel free when making a donation to ask any relevant questions and receive prompt answers based on the facts.

The donors shall be encouraged to seek independent advice if the Fondation Charles-Bruneau has reasons to suspect that a prospective gift could significantly affect their financial situation, their revenue, their family patrimony, or their relationships with other family members.

The Fondation Charles-Bruneau shall respond promptly to any complaint made by the donors or prospective donors for any matter addressed in the code of ethics. The executive management shall attempt to satisfy the donor's complaint. A complainant who remains unsatisfied may appeal in writing to the Fondation's Board of Directors and shall be informed of the procedure to follow.

## **6.2 Code of ethics for Fondation employees**

### **Confidentiality**

Each relationship with donors shall be treated with all the integrity and discretion required.

The identity of current or prospective donors is considered confidential, unless the donor gives their express consent.

### **Bonuses or commissions**

Employees shall not accept any form of compensation, commission, or gratuity connected with the exercise of their duties, from a donor or intermediary.

## **6.3 Code of ethics for the members of the Fondation's Planned Giving Committee**

### **Confidentiality**

All information disclosed in the context of the Planned Giving Program shall be considered confidential.

### **Conflicts of Interest**

The members of the Planned Giving Committee must disclose to interested parties their conflicts of interests, real or perceived. They must ensure that the donor is clearly informed regarding the compensation process. It is important that the donor feels no undue pressure concerning the choice of product. It is recommended that the donor secure other professional advice in order to fully consent to their decision and choice.

If a transaction conducted by one of the members of the Planned Giving Committee must be reviewed by the Coordination Committee, this member may not participate in discussions of the Coordination Committee regarding the choices and decisions of the donor.

The Fondation Charles-Bruneau Planned Giving Committee shall consist of at least a dozen professionals from different financial firms and institutions.

**Bonuses, honoraria, or commissions**

The members of the Planned Giving Committee shall provide their advice voluntarily. The Fondation accepts that professionals who conduct transactions for specialized products shall receive fair compensation.

**Annual report**

The Planned Giving Program Committee shall produce an annual report of its activities and shall submit its report to the Board of Directors (results of steps taken, pending or litigation cases requiring special actions or other actions). It shall be accompanied by a report of gifts refused and the reasons thereof, in the interest of transparency.

This document shall come into force on the date of its adoption by the Board of Directors.

Adopted March 23, 2013 by the Board of Directors.

This document draws on documents available from different websites.

- Code of ethics for fundraising; **Pensionnat Saint-Nom-de-Marie**
- Bequest wording for use by lawyers and notaries; **Institut de recherche en immunologie et en cancérologie of the Université de Montréal.**
- Policy on the acceptance and capitalization of gifts and the code of ethics for gifts; **Église catholique de Québec**
- Gift acceptance policy; **Jewish Community Foundation of Montreal**
- Gift acceptance policy; **CGA-Canada Research Foundation**
- General policy on gift acceptance; **Fondation de l'Université de Sherbrooke**
- Policy on planned giving; **West Island Community Shares**
- Policy and procedures for the major and planned giving program; **Fondation Suicide Action Montréal**
- Gift acceptance policy; **Development and Peace**
- Code of ethics; **Fondation de ma vie (Centre de santé et de services sociaux de Chicoutimi)**
- **Un Héritage à Partager** (website); LEAVE A LEGACY™ Quebec

And the following books:

**Lévesque, Alain;** L'Arbre du don, Édition Groupe DeVimy, Canada, 2011, 111 pages

**Mercier, François;** Apprendre à recevoir, Édition D.P.R.M., Canada 2011, 246 pages