



Carberry & Area Community Foundation Inc. Governance and Administration Policies

Contents

- SECTION 1: GOVERNANCE AND ASSESSMENT 3
 - 1.01 Governance and Governance Assessment 3
 - 1.02 Financial Accountability 4
 - 1.03 Conflict of Interest..... 5
 - 1.04 Confidentiality and Privacy..... 6
 - 1.05 Risk Management..... 7
 - 1.06 Code of Ethics 8
 - 1.07 In-Camera Board of Directors Meeting 9
 - 1.08 Planning: Strategic, Operating and Planning Cycle 11
 - 1.09 Board, Committee and Staff Relationship 12
 - 1.10 Scope of Executive Authority 12
 - 1.11 Definition of Charitable Purpose 14
- SECTION 2: FINANCIAL MANAGEMENT 15
 - 2.01 Long-Term Investment Policy..... 15
 - 2.02 Funds, Fund Types and Criteria for Naming 16
 - 2.03 Administrative Fee 18
 - 2.04 Authorization..... 18
 - 2.05 Donation Recording and Receipting..... 19
 - 2.06 Expense Reimbursement..... 19
 - 2.07 Financial Operations..... 20
 - 2.08 Spending and Capital Preservation 21
- SECTION 3: DONOR AND GIFT MANAGEMENT..... 23
 - 3.01 Gift Acceptance 23
 - 3.02 Donor Recognition and Stewardship..... 27
 - 3.03 Fundraising 27
 - 3.04 Donor’s Rights 28
- SECTION 4: GRANT MANAGEMENT 30
 - 4.01 Granting..... 30
- SECTION 5: GENERAL 31
 - 5.01 Special Leadership Initiatives 31
 - 5.02 Community Representation and Media Communications 31
 - 5.03 Electronic Communications Security..... 31
 - 5.04 Record Retention 32
 - 5.05 Disaster Recovery 32

SECTION 1: GOVERNANCE AND ASSESSMENT

1.01 Governance and Governance Assessment

Directors act in the best interest of their foundation, exercising care, diligence and skill that a prudent person would show in similar circumstances

The three key duties of directors are:

- Duty of Skill or Competence
- Duty of Diligence
- Duty of Loyalty

Duty of Skill or Competence

- Ensuring Board member nomination, recruitment and orientation process in place
- Ensuring the effectiveness of Board, committees and management through an annual evaluation process
- Voicing, clearly, respectfully and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board
- Developing a process for succession planning of officers, directors and committee chairs

Duty of Diligence

- Being informed of incorporation articles, bylaws, mission, and strategic plan
- Ensuring that the bylaws include clauses that state no Board member receives remuneration, and that the Board has, at a minimum, 5 directors who must be at arm's length to each other
- Being informed of Board activities, the community and general trends in philanthropy
- Attending Board meetings, serving on a committee(s) and contributing to the work of the Board
- Ensuring that proper minutes of meetings and policies are properly recorded and retained
- Ensuring that the financial affairs of the corporation are conducted in a responsible and transparent manner with due regard for their fiduciary responsibilities and public trusteeship
- Ensuring that there are terms of reference for the Board and officers
- Asking the directors to review a decision where the Board acted without full information
- Ensuring that the vision and mission statements are in place and reviewed for relevance every 5 years
- Developing, approving, monitoring and evaluating strategic plans in conjunction with the senior staff person
- Appointing and orientating the senior staff person, monitoring their performance against specified goals related to the strategic plan, and approving the senior staff person's remuneration.
- Ensuring that there is a job description or terms of reference for the senior staff person which includes compensation and benefits
- Evaluating effectiveness in implementing the strategic plan
- Working with staff, where appropriate, on committees and respecting the roles of Board and staff

Duty of Loyalty

- Publicly demonstrating acceptance, respect and support for decisions legitimately taken in the transaction of the Board's and/or foundation's business
- Serving the overall best interest of the corporation rather than any particular constituency

Implementation:

Board members will be informed of their responsibilities during an orientation session conducted within 2 months of joining the Board. A Board manual will be prepared for all Board members and it is the responsibility of each Board member to keep their manual updated.

Governance Assessment

The Board will assess its effectiveness on an annual basis at the meeting immediately preceding the annual general meeting.

Implementation:

The following will be assessed: Board orientation, financial viability, understanding the Board's responsibilities, the effectiveness of planning direction and priorities of the foundation, management of Board meetings, Board commitment to foundation's mission and values, compliance with bylaws, and conflict of interest. An action plan will be developed to strengthen the Board's effectiveness. The Board will monitor the plan. It is the responsibility of the Board Chair to report at each Board meeting on the implementation of the plan.

Monitoring: This policy will be reviewed every two years

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.02 Financial Accountability

The foundation's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial, territorial and federal regulators.

All donations will be used to support the charitable purposes of the foundation, as specified in the governing documents. All donations will be used for the purposes for which they were given. If an alternate use for a donation is necessary due to program or organizational change, this use will be discussed with the donor or the donor's legal designate. If no agreement can be reached with the donor or donor's legal designate, the unexpended part of the donation will be returned to the donor. If the donor is deceased and the foundation is unable to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

The Foundation prepares and issues Official Income Tax receipts for monetary gifts and gifts-in-kind in compliance with all regulatory requirements.

The annual financial statements will be prepared and approved by the Board, within one year of the fiscal year-end, using generally accepted accounting principles and standards established by the Chartered Professional Accountants of Canada, in all material respects.

The Foundation will disclose the total amount of donations and expenses including salaries, overhead, fundraising costs and identification of government grants and contributions separately from donations.

The foundation will meet or exceed the Canada Revenue Agency's current disbursement quota percentage of the average value of the foundations' property each year on its own charitable activities or on gifts to qualified donees (for example, other registered charities). When this is not possible, any excess gained in previous years will be used to meet this requirement. If this is not possible, the foundation will apply to the Canada Revenue Agency to seek relief.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.03 Conflict of Interest

PREAMBLE

It is important that our practices and decisions are without suspicion or influence and avoid any appearance of impropriety, which may raise concerns within or outside the organization. The policy is designed to ensure an organization's reputation for integrity of decisions. As a result, this policy addresses conflicts of interest, real or perceived. This policy will not address the issue of what constitutes an actual conflict of interest as a matter of law.

As a result, the policy is directed towards the sources of the most potential conflict. These include conflicts arising as a result of an affiliation with:

1. An organization that has, or is negotiating, a business relationship
 - A conflict of interest arises in a situation in which:
 - The foundation has a business or financial dealings with a Board member, volunteer* or staff member individually or with a corporation, partnership or other business enterprises of which the Board member, volunteer or staff member, or a member of their family**, is an officer, director, partner or substantial stockholder, or
 - The primary purpose of a grant from the foundation to a qualified grantee is made to support a transaction with such a business enterprise.
2. An organization seeking funding or other support
 - A conflict of interest arises in a situation in which the foundation is considering or makes a grant to a qualified donee of which the community foundation Board member, volunteer or staff member, or a member of their family, is an officer, director, trustee or employee of the applicant organization. This also includes situations where Board members, volunteers or staff members have an unofficial role with the applicant organization as a significant donor, volunteer, advocate or advisor

*Volunteer includes any person serving voluntarily on a committee with Board-delegated powers or in any other capacity that might give rise to a conflict of interest.

**Family includes spouse or partner, children, grandchildren, parents or grandparents, siblings (and their immediate families), as well as any member of the extended family living under the same roof.

Implementation:

This policy will be conveyed to staff and all new Board and committee members.

The first agenda item of Board and committee meetings will be a declaration of conflict of interest. Members, including staff, will be asked to verbally declare a conflict of interest and to identify which agenda items that are in conflict. The minutes of the meeting will reflect declared conflicts. If the member is unsure, they will ask for clarification and the chair will determine if there is a real or perceived conflict.

When there is a conflict, the member will refrain from all discussion pertaining to the subject and abstain from voting. When there is a conflict of interest for a member of the Grants Committee, the committee member will abstain from voting on the particular grant.

It is the responsibility of Board and committee members to raise concerns they may have regarding conflict of interest with a member who is perceived to be in conflict. If there are still concerns, it is their responsibility to convey these concerns to the Chair.

Board, volunteers and staff are prohibited from accepting personal gifts from current and prospective providers of services or goods and grantees with the exception of occasional hospitality or other benefits of a nominal value.

Board members, volunteers and staff are prohibited from using privileged information gained in their role for personal or professional gain.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.04 Confidentiality and Privacy

General:

The foundation is committed to protecting the privacy of the information of its employees, members, customers and other stakeholders. We value the trust of those we deal with, and of the public, and recognize that maintaining this trust requires that we be transparent and accountable in how we treat the information that donors choose to share with us. During the course of our various projects and activities, we frequently gather and use personal information. Anyone from whom we collect such information should expect that it will be carefully protected and that any use of or other dealing with this information is subject to consent.

Definition of Personal Information:

Personal information is any information that can be used to distinguish, identify or contact a specific individual. This information can include an individual's opinions or beliefs, as well as facts about, or related to, the individual.

Exceptions: business contact information and certain publicly available information, such as names, addresses, email addresses and telephone numbers as published in public directories, are not considered personal information. Where an individual uses their home contact information as business contact information as well, we consider that the contact information provided as business contact information.

Practices:

Personal information gathered by the foundation is kept in confidence. Our personnel are authorized to access personal information based only on their need to deal with the information for the reason(s) for which it was obtained. Safeguards are in place to ensure that the information is not disclosed or shared more widely than is necessary to achieve the purpose for which it was gathered. We also take measures to ensure the integrity of this information is maintained and to prevent it's being lost or destroyed. We collect, use and disclose personal information only for purposes that a reasonable person would consider appropriate in light of the circumstances. We routinely offer individuals we deal with the

opportunity to opt not to have their information shared for purposes beyond those for which it was explicitly collected. Our software is routinely updated to maximize the protection of such information, and we use password protocols.

Donors:

Board members and staff are required at all times to respect the confidentiality of a donor's name, level of gift and personal circumstances that might identify a donor if asked to do so by the donor or by a motion of the Board. Donor requests for confidentiality and anonymity will be strictly respected. Access to donor information will be restricted to only those who need it for the function of their duties. Paper records are kept locked and computer records are protected using password protocols. Donor lists are not shared with any other fundraising organizations. The Foundation does not use outside contract fundraisers.

Grant Recipients

The Foundation grantmaking process requires charities and agencies to provide detailed project and organizational information. This may often be sensitive and will be treated in confidence.

Contracts/Grants

The Foundation as a necessity will contract with professional and business corporations and details of all such transactions will be treated with respect and discretion. Information relating to personnel, litigation and property contracts and resulting transactions will be kept confidential.

Meetings

The Board and all its committees act as a whole. Deliberations including the opinions of individual Board and Committee Members will be kept confidential. Third-party opinions with respect to contracts or grant applications will be kept confidential. Board members are required to hold in the strictest confidence all matters dealt with by the Board during in-camera meetings and matters relating to personnel and property.

Implementation:

The above constitutes the Statement of Confidentiality and Privacy. Each Board member and volunteer will sign and date this statement.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.05 Risk Management

PREAMBLE

Community foundations have an opportunity and an obligation to model high standards of accountability, at a time when charitable organizations are being closely scrutinized by donors, government agencies and the public. In addition, community foundations need to ensure that adequate financial resources are committed to carrying out responsibilities. The Board of Directors is responsible to ensure that bylaws are current, that governance practices are consistent with the bylaws, adequate insurance provisions are in place to protect the organization and Board from potential liabilities, resources are sufficient to minimize risk to employees and volunteers, compliance with a statutory

and regulatory requirement, that policies are respected in actual practice; and adequate contingency plans are in place against reasonably anticipated crises.

Bylaws

The bylaws will be reviewed every 5 years or when there is a significant change in governance or the provincial, territorial or federal non-profit corporation legislation. The Governance Committee or an Ad Hoc Committee of the Board will review the bylaws.

Insurance

The Finance & Administration Committee annually will review the level and type of insurance and make recommendations to the Board whether adequate insurance provisions are in place to protect the organization and the Board from potential liabilities. The Foundation is insured under the Town of Carberry and the Municipality of North Cypress-Langford's insurance policies.

Corporate Records

The Executive Director/Secretary is responsible for ensuring that the corporate records are maintained and filed securely. This includes: all charter documents, bylaws, list of directors, officers and members, minutes of meetings of directors and members, copies of financial statements, banking documents, confirmation of charitable registration, copies of T3010 and duplicate copies of charitable tax receipts.

Backup of Computer Records

Offsite backup copies are to be kept of all computer records.

Fund Agreement/Deed of Gift

There will be two copies made of each fund agreement/deed of gift, one for the donor and one for the foundation. One copy of each fund agreement/deed of gift is to be e-filed off-site in a secure location.

Statutory Remittances and Filing of T3010

The Executive Director or Treasurer will confirm at each Board meeting that all statutory remittances are current. The Executive Director or Treasurer will confirm that the T3010 has been filed within 6 months of the fiscal year-end.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.06 Code of Ethics

PREAMBLE

As a matter of fundamental principle, the foundation requires the highest ethical standards because public trust in our performance is the bedrock of our legitimacy. Donors, volunteers and grant recipients trust the foundation to carry out our mission, to be good stewards of endowment funds, and to uphold rigorous standards of conduct. The Foundation must earn this trust every day. It is therefore essential that the people involved with the Foundation, Board members, staff and volunteers demonstrate their ongoing commitment to the core values of integrity, honesty, impartiality, openness, respect, and responsibility. Simple adherence to the law is not enough. The foundation will often need to go beyond legal requirements and make sure that our actions are transparent, open and responsive to public concerns.

Code of Ethics:

The Board of Directors promotes the highest standards of ethical behaviour. This Code of Ethics has been established to provide appropriate guidelines.

Integrity

Foundation members shall act with competence, honesty, integrity and fairness while carrying out their obligations for the foundation.

Role

The well-being of the people of our community will be the primary role of foundation members. In addition, the Board, staff and volunteers will act in the best interests of the foundation in fulfilling its mission.

Governance

The Board understands its role as the governing body of the foundation and accepts full responsibility for setting the vision, mission, strategic direction and foundation policies. The Board is also responsible for oversight of the finances and operations and for the actions and performance of the Executive Director. The directors will ensure that as a group they have or will acquire the relevant skills and experience along with securing the required resources to complete the foundation's mission.

Accountability and Transparency

In carrying out philanthropic activities, foundation directors, staff and volunteers act within the letter and the spirit of the law. The foundation embraces public interest, takes full responsibility for its actions, communicates truthfully, and ensures public records are easily available while maintaining appropriate privacy and confidentiality. The foundation will manage its resources carefully and frugally, actively avoiding excessive expense.

Diversity and Inclusiveness

The foundation seeks diversity and inclusiveness in order to reflect our community. The foundation strives to ensure that a full range of perspectives contributes to the common good of our local society. In conducting its business all members of the foundation will listen to and treat all others who come together under the auspices of the foundation with respect.

Conflict

The foundation seeks to involve Board members, staff and volunteers who are active in community life. It is very likely that on occasion conflicts of interest will arise. Everyone involved with the foundation will act conscientiously to ensure that all conflicts are declared, and appropriate actions are taken within the policies and guidelines established by the Board. The directors shall serve without remuneration for their services. No director shall directly or indirectly receive any profit from their position.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.07 In-Camera Board of Directors Meeting

PREAMBLE

At times the Board needs to deliberate on sensitive matters related to the employment of the Executive Director/CEO (e.g. salary, evaluation, contract renewal); Board conduct; budgetary concerns; conflicts of interest; or, legal issues. In-camera is a private session at the Board meeting and can be held amongst Board members only or amongst the Board and its only employee, the Executive Director/CEO. Any other staff members are asked to leave. Board business shall not be conducted during an in-camera session. If any business is to be conducted or motions carried, the in-camera portion of the meeting shall end, and the secretary shall return to record any decision(s) for the minutes.

Typically, in-camera sessions will only last 10 to 19 minutes; however, if necessary, shall be limited to a maximum of 30 minutes per session without prior Chair of the Board (“Chair”) approval. Because of the nature of our organization, in-camera shall be vetted to the Chair or Chair designate prior to being placed on the Board agenda and held at a minimum, semi-annually. The in-camera session may be waived if no member identifies a need for the same.

The Chair must ensure the in-camera session remains focused on appropriate items and does not digress into areas that should be discussed in the presence of management. The Chair must exercise their authority to determine the appropriateness and relevance of issues raised in-camera, and provide opportunities for all Board members to contribute meaningfully to the discussion.

In-camera sessions challenge the Board to assess whether the matter at hand pertains to confidentiality and/or secrecy. While confidentiality is important to good Board governance, secrecy can, and will, undermine it.

Confidentiality prevents undue harm to the Foundation and its assets, including volunteers, Board members and staff, and must be reconciled with transparency and accountability; that is, stakeholders are allowed to know enough and can question the processes and outcomes. Confidentiality unequivocally requires but does not strain trust.

Secrecy attempts to protect someone or something from scrutiny. It attempts to prevent accountability and cannot be reconciled with transparency. Secrecy demands, then misuse trust.

Confidentiality around the Board table is secured by the annual review and execution if appropriate of the following:

- Declaration of Conflict of Interest;
- Code of Ethics;
- Code of Confidentiality & Privacy

In order to preserve trust amongst the Board and between the Board and its employee, the Executive Director/CEO, there must be a strict criterion regarding in-camera sessions.

Policy Statement: In-Camera Session

When the Board decides to move In Camera, a motion is made to do so. When the Board moves out of the In-Camera session, a motion is also made to do so. These motions are recorded in the regular Board meeting minutes.

In-Camera discussions are not recorded in the regular Board meeting minutes. Minutes for In-Camera meeting are filed.

If there is a decision made by the Board when In-Camera, that decision is brought back into the regular Board meeting for approval.

Matters that will generally be dealt with in an in-camera session of Board members only include, but are not limited to:

- Employment of the Executive Director/CEO – evaluation, contract negotiations, discipline
- Internal issues regarding Board conduct

Matters that will generally be dealt with in an in-camera session of the Board collaboratively with the Executive Director/CEO include, but are not limited to:

- Budgetary concerns
- Conflicts of interest
- Legal issues

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.08 Planning: Strategic, Operating and Planning Cycle

PREAMBLE

This policy demonstrates the organization’s commitment to ensuring that the vision and mission of the foundation continue to guide the work of the organization and that the foundation continues to remain relevant and responsive to our community. The policy ensures the foundation undertakes strategic planning on a cyclical basis from which the annual operating plan is developed and monitored.

Policy:

The Board, in partnership with the Executive Director/CEO, are responsible for providing leadership in the development of the strategic plan every 5 years, unless circumstances change significantly that will impact the strategic plan. This will be done through the Strategic Initiatives Committee, which is chaired by a director. The Executive Director/CEO is a member of this committee.

The vision and mission statement will be reviewed at the end of the planning process and amended, if warranted, to ensure alignment with the strategic priorities and goals of the strategic plan.

The foundation’s stakeholders may be consulted in the development of the plan through one or more of the following methods: one-on-one meetings, focus groups or surveys.

The strategic plan will identify key strategic priorities and goals for the 5-year period. Annually the board and staff will determine objectives, key lead (i.e. director or staff), resources required and frequency of reporting on progress.

The annual operating plan will be developed by the staff based on the annual objectives determined by the Board. This plan and the annual budget will be presented and approved at the same meeting.

Monitoring: This policy will be reviewed every five years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.09 Board, Committee and Staff Relationship

PREAMBLE

The Board of Directors operates as a Policy and Governance Board. Most of the committees of the Board have an advisory and policy development role, except for the Fund Development Committee, which is actively involved in promoting the Foundation in their local community.

The following guidelines are to be followed to ensure effective and efficient Board and committee meetings.

PRACTICE:

1. A Board member shall chair all committees of the Board.
2. Reports and minutes of meetings shall be presented to the Board following each committee meeting.
3. The Standing Advisory Committees of the Board include: Governance, Finance and Administration, Fund Development, Grant Making and Strategic Initiatives.
4. Committee members are appointed for a one-year term. The board approves all committee memberships. Membership can be renewed for additional one-year terms, in consultation with the Board Chair and the Executive Director, and may be extended based on the recommendation of the Committee Chair and Executive Director.
5. Committee members may be drawn from the Board of Directors or from those members of the general public with the skills necessary to perform the functions of the committee.
6. All committees are advisory committees to the Board of Directors.
7. Each committee shall review committee terms of reference annually and recommendations for changes shall be presented to the Board for approval.
8. Each committee will be evaluated on a bi-annual basis.
9. Every effort will be made to draw committee members from both the Town of Carberry and the Municipality of North Cypress-Langford.

Monitoring: This policy will be reviewed every five years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.10 Scope of Executive Authority

The Board's role is to set policy, and to question, scrutinize and monitor the management of the Foundation's affairs. It is a role of governance as opposed to operational management. The Board's primary responsibility is to build and ensure sound management of the Foundation. It oversees the Foundation's management and ensures that the affairs of the Foundation are being conducted in a manner that achieves its goals, consistent with the Foundation's mission.

Item/Function	Responsibility of	Scope of Authority
Annual Audit	Board	Approves auditor Approves financial statements Communicates any management concerns to auditor
Annual Budget	Board	Approves Budget Approves revisions to budget outside of annual operating/strategic plan Approves non-budgeted expenses over \$1,000
	Executive Director	Can allocate budgeted revenue and expenses within parameters of annual operating/strategic plan
Executive Director Relations	Board	Hires and terminates Executive Director Undertakes Executive Director review Approves Executive Director compensation
Fund Development/ Deed of Gifts	Executive Director	Amends templates to reflect specific gift arrangements
	Signing Officers	One signs fund agreement/deed of gifts, with Executive Director as second signer
	Board	Approves substantive changes to fund agreement/deed of gift standard clauses Approves all fund agreements/deed of gifts
Insurance	Board	Ensures organization is adequately insured
Policy Development	Board/Governance Committee	Develops, monitors and regularly reviews policies Conducts bylaw review
Spokesperson	Chair	Governance and policy issues Major announcements, in conjunction with Executive Director
	Executive Director	On-going operational Media contact
Strategic Plan	Board	Develops and monitors strategic plan Establishes annual goals
	Executive Director	Prepares annual operating plan and works with the board on the development of the strategic plan

Monitoring: This policy will be reviewed every five years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

1.11 Definition of Charitable Purpose

The charitable purposes of the Foundation are to receive and maintain a fund or funds and to apply all or part of the principal and income therefore, by way of a formal grants program to qualified donees in the furtherance of the following charitable purposes beneficial to the community including: “ensuring in perpetuity that the quality of life in the community is sustained and enhanced by promoting development in the areas of culture, education, heritage, recreation, sports, environment, health and the arts; to fund other purposes beneficial to the community as a whole in a way that the law regards as charitable including donating to other organizations that are registered with Revenue Canada as a charity for income tax purposes. To acquire, accept, solicit or receive by purchase, lease, contract, donation, devise, legacy, grant, gift, settlement, bequest, endowment or otherwise any kind of real or personal property and to maintain, use, apply, give, devote, accumulate or distribute the same from time to time (except such amounts from time to time comprising all or any part of the capital of the Corporation which have been received subject to a trust or direction that the amounts or assets given or assets substituted therefor, are to be held by the Corporation for the purposes of gaining or producing income therefrom) to fulfil the aims and objectives of the Foundation.”

The objects of the Foundation shall be limited to carrying on purposes which entitle the Foundation to become and remain a “registered Canadian charitable organization or public foundation” as defined by the provisions of the Income Tax Act (Canada).

Each year, the Community Foundation will allocate salaries and benefits to its charitable, fundraising and management functions, based on job descriptions, and prorate the operating expenditures on either a direct or prorated basis based on the salary allocation. This information will be conveyed to the auditor.

Monitoring: This policy will be reviewed when there is a significant change in the Foundation’s operating expenditures or when the Foundation’s charitable purposes change.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting

SECTION 2: FINANCIAL MANAGEMENT

2.01 Long-Term Investment Policy

PREAMBLE

The goal of the investment policy is to outline the foundation's investment principles and provide guidelines to maximize return on investment in a prudent and diversified manner that will provide adequate income while ensuring requirements for distributions to qualified donees, administrative fees and the preservation of the value of capital over the long term are carried out. The investment policy shall also ensure that the foundation conforms to the requirements of applicable Federal, Territorial and Provincial Statutes and Legislation including the Income Tax Act (Canada) and the Trustee Act.

Roles and Responsibilities

The Board of Directors is responsible for reviewing and approving the Investment Policy, for ensuring compliance with the policy and for monitoring the performance of the results on an annual basis.

The Board of Directors will appoint Finance & Administration Committee to develop the Investment Policy Statement. The Finance & Administration Committee will be responsible for investing funds as per the Investment Policy, prior to an Investment Manager being engaged. The committee is responsible for reporting to the Board the performance of the investments on an annual basis, according to the return objectives in accordance with the policy. The Finance & Administration Committee is required to inform the Board if the committee at any time feels that the performance expectations cannot be met or that the investment guidelines in the Investment Policy restrict performance. No portion of the portfolio will be loaned directly to any individual.

The Finance & Administration Committee will recommend to the Board, when it is appropriate, to hire an Investment Manager. The Finance & Administration Committee is responsible for conducting a search for the Investment Manager, as required, and to forward recommendations to the Board. The Investment Manager is required to comply with the Code of Ethics and Standards of Professional Conduct as adopted by the CFA Institute.

The committee will annually monitor the performance of the Investment Manager.

The Investment Manager is required to:

- Provide a review of the portfolio's performance as well as expectations on the economic and financial market outlook and related investment strategies on an annual basis to the Finance & Administration Committee, such report to be presented to the Board by the Chair of the committee
- Notify the Finance & Administration Committee promptly in writing of any significant changes in the policies, procedures, personnel, ownership or any similar areas of the investment firms
- Inform the Finance & Administration Committee if the Manager at any time feels that the performance expectations cannot be met or that any guidelines contained herein restrict performance
- Disclose any material interest in any investment or the proposed transaction
- Provision of income for distribution while addressing the foundation's administrative fee and the preservation of capital
- Consideration of safety of capital, liquidity and long-term capital growth
- Identification of eligible asset classes, asset allocation, and appropriate level of diversification
- Performance benchmarks in each asset class

On July 7, 2015 a unanimous resolution was carried by the Carberry and Area Community Foundation Board to invest a minimum of 85% of the Foundations' assets with The Winnipeg Foundation.

In order to provide the greatest impact to our community, our donors and our grant recipients, The Winnipeg Foundation will act as Fund Manager for the majority of the Foundation assets.

Monitoring: This policy will be reviewed every two years or when there is a significant change in the capital of the portfolio.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting

2.02 Funds, Fund Types and Criteria for Naming

PREAMBLE

The foundation gives individual donors, family foundations, businesses and charitable organizations a number of ways to fulfill their philanthropic objectives while supporting the well-being of our community.

We believe that by strengthening the gifts, assets and capacity of individuals and groups, we strengthen our community. The foundation specializes in building endowment funds, where the capital is not encroached and uses the funds' earnings to support the ever-changing needs and opportunities of our community.

The foundation has a number of types of funds available for donors. These are open funds where gifts may be made by any interested contributor thereby allowing even modest contributions to be joined with others' gifts for maximum charitable benefit.

Donors may name the fund that they endow – for themselves, a family member, a company or a valued friend. Some funds have names that convey specific goals or purposes or hold special meaning to the donor. The criteria for naming and establishing funds are identified below in each fund definition.

Funds – General Guidelines

All funds are open funds, meaning that any donor can make a gift at any time once the fund is opened. Donors creating named funds will be provided with an annual fund statement, if requested, reflecting additions to the funds, administrative and investment fees charged against the funds, grants from the fund and the determination of annual distributable earnings for the subsequent year. Annual distributions from the fund will be identified as having come from the fund unless the donor wishes the distribution to remain anonymous.

Fund agreement/deed of gifts will be required to establish all funds. The Board will approve templates for fund agreement/deed of gifts for each type of fund. The Board must approve any changes to the clauses of these templates. The Board will pass a resolution confirming the terms of each fund agreement/deed of gift. Fund agreement/deed of gifts can be amended during the lifetime of the donor.

The foundation encourages donors to seek independent advice if the proposed gift is a Planned Gift and/or the foundation has any reason to believe the proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.

Endowment Fund Definition: Endowment funds are defined as those funds created where the capital is held in perpetuity and the annual distributable earnings are allocated to qualified donees, as per the type of fund created below.

Community (Unrestricted) Fund

This fund will consist of donations, large and small, from a variety of sources – individuals, corporations and foundations. Donations to this fund give the foundation the greatest flexibility to respond to current community needs through the provision of grants to qualified donees. The minimum donation to establish a named fund as a Community Fund is \$3,000.

Field of Interest Funds

These funds work much like the Community Fund, except that donors will identify an area of interest that they would like to target their support (ex. heritage, children and youth, relief of poverty, education, etc.). The donor empowers the foundation's Grants Committee to select worthwhile projects to support. The minimum donation to establish a Field of Interest Fund is \$10,000.

Designated Funds

By establishing a designated fund, donors have the opportunity to specify which particular charity or charities they would like to support in perpetuity. If an organization ceases to exist, the donor has not named a successor beneficiary and the donor is deceased, the foundation will redirect the funds to a named fund within the Community Fund. Donors are able to establish a designated fund with a minimum donation per beneficiary of \$10,000.

Charitable Organization or Agency Endowment Funds

These funds can be created on behalf of qualified donees. The fund allows the charity freedom from investment responsibility and gives donors the confidence of knowing that a permanent foundation is in place to professionally administer the agency's endowment. Once established, the agency will encourage its donors to contribute to its endowment fund. Minimum donation to create this type of fund is \$10,000.

Student Award or Scholarship Funds

These Funds are created from the generosity of donors to enable deserving students to continue their education. Student awards are made available to students who are registered in educational institutions. Donors may establish a Student Award or Scholarship Fund with a minimum donation of \$10,000.

Emerging Funds

By establishing an Emerging Fund, donors are able to open a fund in any of the above categories with an initial donation and a pledge to meet one of the minimum donation levels as described above within three years of the initial gift. Until such time as the pledge is fulfilled, no distribution will be made from the Emerging Fund, provided that the foundation is still able to fulfill its disbursement quota as determined in its annual T3010.

Operating Endowment Fund

The purpose of this fund is to offset the costs of operating the foundation. Donors are able to establish a Named Fund within this fund with a minimum donation of \$5,000.

Flow Through Funds

These are non-endowed funds whereby the funds are received by the foundation and then provided to a

designated qualified donee on behalf of the donor(s). The Board will consider instances to create flow through funds on a case-by-case basis where there is a demonstrated advantage to the long-term growth of the foundation.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

2.03 Administrative Fee

Administrative fees will be charged on all funds. This fee will be determined by the Finance & Administration Committee and presented to the Board for approval.

The provision of fees will be included in all fund agreement/deed of gifts.

The fee will be calculated based on the capital and undistributed earnings in each fund as of the Investment Manager's fiscal year-end.

Any extraordinary costs associated with creating a fund will be borne by the donor unless previously agreed to differently by the Board.

All transaction fees incurred for Credit Card or other electronically facilitated donations to Funds will be charged against the Fund as incurred.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting

2.04 Authorization

Two signatures will be required on all cheques and banking documents.

All invoices are reviewed by the Executive Director/CEO prior to payment.

The Board Chair or Treasurer must approve all non-budgeted invoices over \$1,000. Board Chair or Board Vice-Chair and the Secretary/Executive Director/CEO or Treasurer signs all legal documents once the Board approves these documents.

The Executive Director/CEO plus one other signing officer signs all fund agreement/deed of gifts. All fund agreement/deed of gifts are approved by the Board.

The Executive Director/CEO or Treasurer signs donation receipts.

The board shall have power from time to time by resolution to appoint any officer or officers, person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting

2.05 Donation Recording and Receipting

Donation receipts will only be issued once the gift is the legal property of the foundation. The Treasurer or Executive Director/CEO signs donation receipts. Receipts will be issued within one month of receipt by the foundation.

Donation receipts will be issued for donations of \$20 or more.

Donation receipts will include the following information:

- Name and address of the donor
- Name and address of the foundation
- Date gift was received
- Foundation's charitable registration number
- Website address of the Canada Revenue Agency
- Amount of donation
- Description of donation if in-kind (i.e. non-cash)

If a donor wishes to make a donation to a specific fund or to a specific general field of interest fund, there should be documentation that they are making a gift to that fund. This may simply be a note accompanying the gift that it is being made to a particular fund.

Donation receipts for gifts of securities are based on the value of the securities at the close of trading on the day in which the ownership is transferred from the donor to the foundation. Supporting documentation in writing must verify this valuation.

One copy of the donation receipt, filed in numerical order, will be held for seven years. This can be an electronic copy.

Donation receipts for special events will be in accordance with regulations of the Charities Directorate of the Canada Revenue Agency.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

2.06 Expense Reimbursement

Volunteers and staff will be reimbursed for expenses incurred in conducting the business of the foundation. The Treasurer or Executive Director/CEO, prior to the expense being incurred, must approve the request for reimbursement. For approved expenses, receipts must accompany requests for reimbursement. The expenses for the Executive Director/CEO are reviewed annually by the Treasurer.

Mileage will be reimbursed in accordance with the local municipal rate. This rate is reviewed annually.

Meal expenditures incurred on foundation business will be reimbursed, per person, based on the following schedule: breakfast \$12.00; lunch \$17.00; dinner \$30.00.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

2.07 Financial Operations

PREAMBLE

It is the Board's responsibility to monitor the financial management of the Carberry and Area Community Foundation. The Board must exercise due diligence to protect the assets of the Foundation.

These policies and practices have been developed given the current staffing level at the Foundation.

POLICY STATEMENT:

Signing Officers – The signing officers of the Carberry and Area Community Foundation are any two of the Executive Director/CEO/Secretary, Board Chair, Board Vice-Chair, Treasurer. The board shall have power from time to time by resolution to appoint any officer or officers, person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

Changing Signing Officers – When the Board authorizes a change in signing officers, the change will be recorded in the meeting minutes, as a resolution. A copy of these minutes will be signed by one of the current signing officers, and filed with the Foundation's financial institution(s).

Accounts Payable – Accounts will be paid within 30 days of the invoice date.

Payments – For consistency in information and control, two authorizations are required on payments.

Monthly Accounting – The monthly accounting will be completed by the end of the following month. Cheques, deposits and journal entries will be posted monthly to the General Ledger.

Financial Statements – The most recent financial statements (unaudited) will be presented to the Board as part of the Agenda at each meeting.

Government Remittances – Monthly financial statements will confirm that government payroll remittances for the previous month have been remitted and that payroll is current.

Banking – Cheques will be deposited to the Foundation's account within 15 business days of receipt. Cheques scanned and deposited remotely will be held for 45 days and then shredded. Scanned copies of these cheques will be filed electronically.

Authorization Limit – The Executive Director/CEO has the authorization to purchase or order items within the Foundation's approved annual budget for any individual amount under \$5,000. Non-budgeted items in excess of \$1,000 must be submitted to the Board for approval.

Staff and Volunteer Travel Reimbursement – Travel will be reimbursed on a monthly basis upon submission of documentation outlining destination, kilometers traveled and reason for travel. The Executive Director/CEO will be responsible to annually review the mileage reimbursement and make recommendations to the board for any changes. Travel advances will be given with appropriate supporting documentation and must be approved by a signing officer. For attendance at conferences, a report to the Board must be prepared itemizing cost. Board approval must be given before incurring any conference expense.

Year-End Audit

All materials required for the year-end audit will be completed by the end of February for presentation to the Foundation’s auditor.

Budget – A budget should be prepared on an annual basis and approved by the board. The draft budget will be presented to the Board no later than the second board meeting of the fiscal year.

Annual Meeting – Audited financial statements will be presented to the Members annually. At that time, auditors will be appointed for the following year.

Flow-through donations – All flow through donations are to be recorded on the fund income statement.

Grants – All grants made by the foundation are to be recorded on the income and expense statement.

Fund Balances – Endowment and Flow-through funds will be reconciled on a monthly basis.

Funds available for grants – Adequate cash must be available in the foundation bank accounts to ensure that the grant commitments can be paid in a timely fashion.

Monthly Cheque Register: A report listing all cheques issued on each bank account will be prepared and presented at each regular board meeting, and will be approved by the Board.

Insurance – The Board will follow up with the Town of Carberry and the Municipality of North Cypress-Langford annually, to ensure the Foundation remains insured under both policies.

Monitoring: This policy will be reviewed annually during the budget meeting.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

2.08 Spending and Capital Preservation

PREAMBLE

The foundation is the steward of endowed funds that were created by gifts from a number of donors. The earnings on the endowed funds are a source of income for the granting program and the administration of the foundation.

As these funds are held in perpetuity, the Board of Directors recognizes that the capital in the funds should be protected against the effects of inflation to preserve, as much as possible, the purchasing power of the funds (i.e. maintain the value of the funds on an inflation-adjusted basis).

The Board also recognizes that the earnings on the endowed funds fluctuate from year to year. In recognition of these fluctuations and the impact on the annual distribution, there is a need to maintain a reserve of undistributed earnings.

Annual Distributable Earnings means that portion of the earnings determined by the Board to be available or required by law for distribution in each year. Earnings are computed in accordance with the Income Tax Act (Canada), as amended from time to time. The annual Administrative and Investment Fees shall be disbursed from the Annual Distributable Earnings of the Fund.

Policy

Earnings and administrative fees will be allocated to each fund by the fund administrator, on a monthly basis, commencing in the month following that in which the donation is received.

The foundation's policy is to optimize the total return and maximize the distribution of endowed funds while at the same time ensuring the sensible protection of capital against the effect of inflation. This will be accomplished through preserving original capital, except in cases where the disbursement quota cannot be met through net interest and dividend income. In years where current or accumulated earnings are not sufficient, the distribution may be drawn from the Capital, as defined in the fund agreement/deed of gifts, in each fund.

The Board will determine the annual disbursement based on the total annual earnings on the fund and the portions of which to be available to:

- Allocated to Annual Administrative and Investment Fees
- Allocated as the Annual Distributable Earnings
- Held in reserve as earnings for future distribution
- Reinvested back into the capital of each fund based on the balance at the beginning of the previous fiscal year.

The Finance & Administration Committee recommends the annual disbursement to the Board of Directors at its regular board meeting immediately following the receipt of Community Foundation Sustainable Fund Strategy and Threshold Grant Application from the financial manager (The Winnipeg Foundation).

Monitoring: This policy will be reviewed every two years, when regulations change or when there is a significant change in the return on the foundation's investments.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

SECTION 3: DONOR AND GIFT MANAGEMENT

3.01 Gift Acceptance

The purpose of this policy is to provide guidelines for the types of outright gifts (i.e. cash, publicly traded securities) and deferred gifts (i.e. bequests, life insurance) that will be accepted by the foundation.

Consistency with foundation mission: Gifts must be consistent with the overall mission and strategic intent of the foundation, all applicable statutory provisions, and must not compromise the foundation's integrity. The foundation may, in its discretion, refuse a gift on these grounds.

Clarity of intent: The foundation shall not solicit or accept a gift from a donor unless it is satisfied that the donor has a bona fide charitable intention and has an accurate understanding of the consequences of the donation, the work of the foundation, and the uses to which the gift will be put.

Seeking independent advice: Persons acting on behalf of the foundation shall encourage potential donors to consult independent legal and tax professionals to ensure that donors receive a full and accurate explanation of the nature and consequences of their gifts.

Undue influence: Persons acting on behalf of the foundation shall inform, serve, guide or otherwise assist donors who wish to support the foundation's activities, but never under any circumstances are they to pressure or unduly persuade.

Parameters of gifts: Foundation volunteers, friends and staff members are authorized to encourage donors to make gifts to the foundation within the parameters of the Gift Acceptance Policy.

Authority to negotiate: The Executive Director (or Board Chair, Treasurer) is authorized to negotiate gift agreements with prospective donors and their professional advisors in accordance with the guidelines set for in this Policy.

Authority to accept: Outright gifts of cash, publicly-traded securities, and life insurance do not require approval by the Board of Directors unless there are unusual restrictions or circumstances involved.

Gifts Accepted: The foundation routinely accepts only property that is readily marketable at a reasonable cost. That refers to cash, cash equivalents (including deposit instruments of a government or financial institution in Canada), publicly traded securities, policies of life insurance, bequests or any other property that the Foundation has identified within its investment policies.

Acceptance of Other Forms of Property: The Foundation recognizes that donors will occasionally wish to give property that is not readily marketable, such as real estate, art, jewelry, private corporation shares or residuary interests in trusts. While the foundation is generally pleased to accept gifts, it has to be careful to evaluate whether there may be "hidden costs" in accepting such property. The Board will be consulted on all gifts of property prior to responding to donor. The Board may want to retain the advice of tax and/or legal professionals when considering these types of gifts.

Related Costs: Gift-related costs such as legal fees, appraisals, real estate commissions and taxes relating to acceptance, maintenance, management or re-sale of a gift of property will normally be the responsibility of the donor unless the foundation, upon prior agreement, agrees to assume responsibility

for any portions of these items. There may be instances that the foundation will cover these costs. In these instances, Board approval is required.

Gifts Requiring Board Approval: The following gifts must be reviewed and approved by the Board of Directors: gifts of real or tangible property, gift of a charitable remainder trust and gifts of a residual interest. Before acceptance and approval, relevant information about the gift shall be ascertained, including a copy of any appraisal secured by the donor. The foundation reserves the right to obtain its own appraisal for gifts of real or tangible property or other property whose value is not readily ascertainable.

Gifts Not Accepted: The foundation cannot offer charitable annuities or any other gift creating a liability. It reserves the right to decline a gift based on:

- lack of congruency with the foundation's mission;
- the desire of the donor to exert unacceptable conditions or controls over the disbursement of the net income from the gift;
- cost of ownership implications related to administration time, management and marketability of the gift;
- unacceptable risks;
- gifts that are illegal; and,
- other factors agreed to by the Board of Directors

Disposition of Gift: The foundation does not make any representation that by accepting a gift it will retain the property or employ the donated property for the same purposes as the donor used it. For example, absent an agreement, if the foundation acquires a residence as a gift, it will not retain it as an office or retreat but will sell it and invest the proceeds in accordance with its investment policy.

Fund agreement/deed of gifts: The foundation works with donors to develop agreements with respect to the name, nature, limits and use of their gifts at the time a gift is made. Fund agreement/deed of gifts specify the type of fund created (permanent endowment, flow-through fund or non-permanent endowment). Fund agreement/deed of gifts will clearly identify that it is the responsibility of the Board of Directors to approve all disbursements of net income from endowed funds. These agreements will be developed where the donor is giving specific recommendations to the foundation as to the distribution of the earnings generated by their gift. All fund agreement/deed of gifts requiring execution by the foundation shall first be reviewed and approved as to form and content by the foundation's legal counsel. All fund agreement/deed of gifts must be reviewed and approved by the Board of Directors. Where substantially the same agreement is used repeatedly, only the template needs to be approved.

Charitable Tax Receipt: The foundation shall issue a charitable tax receipt within 30 days of receipt of the gift in alignment with the foundation's Donation Recording and Receipting Policy. For gifts of shares, a tax receipt shall be issued for the earlier of either the trading price or the closing price on the day the foundation's broker receives the shares, assuming liquidity.

Benefit to Donor: The legal nature of a charitable gift is that a donor cannot expect material consideration (i.e. financial benefits or opportunities) to flow from a gift.

Donor-Advised Funds: The Income Tax Act (Canada) imposes limits on a donor's capacity to impose restrictions on charitable gifts. A donor may, however, at the time the gift is made and even subsequently, by agreement with the foundation, place limits on the uses to which a gift may be put.

Further, the donor or the donor's designated representatives may advise the Board of the foundation on the application of the earnings of their gift and the Board shall generally consider and respect such advice. Beyond that, a donor cannot legally restrict the foundation.

Flow-Through Funds: The principal mission of the foundation is to raise, administer and distribute earnings from funds that are held on a permanent or endowed basis. As a service to donors, the Foundation is prepared to accept from time to time the receipt and disbursement of gifts that are not intended to be held as endowment funds. The foundation exercises broad discretion as to whether or not to accept such gifts and may charge an administrative or cost recovery fee.

Preservation of Donor's Intention: Where, by prior agreement, the Board agrees to receive the advice of donors on the distribution of grants, the foundation shall not seek to pass judgment on the value or merit of the donor's proposed application so long as the income is applied according to legal provisions to a charitable purpose. Should the foundation cease to exist or become incapable of administering a fund to fulfill a donor's purpose, the foundation shall employ its best possible efforts to ensure the continued application of the fund to the purpose originally contemplated by the donor.

Administration Policies: The Foundation adopts policies that regulate administrative charges on its endowment funds, manage the investment of the funds, determine the appropriate portion of funds to distribute for charitable granting purposes or retain as capital to protect against erosion by inflation. Except for more precise agreement with the donor overriding these general policies, the foundation shall apply its policies equitably to all funds under its control and may amend such policies from time to time.

Geographic Area of Focus: The primary, but not exclusive, focus of the foundation's activities is within the Town of Carberry and Municipality of North Cypress-Langford. It may refer a donor to another community foundation or charitable organization if it perceives that the donor will be better served by such organizations.

Acting as a trustee: The Foundation will not perform the role of an estate trustee.

Definitions and gift guidelines:

A. Cash

Gifts of cash and cash equivalents.

B. Publicly traded securities

Gifts of marketable publicly traded securities shall be scrutinized and accepted by the foundation's investment manager. These securities shall be sold immediately upon receipt and converted to cash and processed based on the foundation's cash management policy.

C. Gifts of property including real estate, art, jewelry etc.

Gifts of property or real estate may be made in various ways: outright or residual interest in it.

Guidelines:

- Donors shall provide qualified appraisals of the proposed gifted property.
- The foundation will obtain its own independent appraisal. The foundation may, at its discretion, obtain a third independent appraisal, and, in such cases, issue a receipt based on the foundation's own appraisal.
- The foundation shall satisfy itself that the donor has clear title to the property.

- The foundation shall review all pertinent factors, including in the case of real property, zoning restrictions, marketability, prior land use, current use and cash flow, to ascertain that acceptance of the gift would be in the best interests of the foundation.
- If the real estate possibly contains toxic wastes, the donor shall secure an environmental audit and provide the results to the Board of Directors. No property containing toxic wastes shall be accepted prior to removal and/or indemnification of the Foundation against all present and future liabilities.

D. Bequests

A donor who advises the foundation, in confidence, of a proposed testamentary gift to the foundation, shall be asked to provide, if possible, a copy of that section of the Will naming the foundation. The donor may also wish to execute an agreement with the foundation directing the charitable use of the proposed testamentary gift. The foundation will not serve as executor of a donor's will.

E. Gifts of life insurance

There are various methods by which a life insurance policy may be contributed to the foundation.

A donor may:

- Commence a life insurance policy of which the foundation is the owner and beneficiary.
- Assign irrevocably a paid-up policy to the foundation.
- Assign irrevocably a life insurance policy on which premiums remain to be paid and a charitable tax receipt shall be issued for premium amounts.
- Name the Foundation as a primary or successor beneficiary of the proceeds.
- When ownership is irrevocably assigned to the foundation, the donor is entitled to a gift receipt for the net cash surrender value (if any) and for any premiums subsequently paid.

F. Gift of a residual interest

This type of gift refers to an arrangement under which a property interest is conveyed to the foundation, but the donor retains the use of the property, or income from the property, for life or a specified term of years. For example, the donor might give a residual interest in a personal residence and continue living there or residual interest in a painting and continue to display it. The owner is entitled to a charitable tax receipt for the present value of the residual interest.

Guidelines

The donor shall continue to be responsible for real estate taxes, insurance, utilities and maintenance after transferring title to the property unless the foundation, upon prior approval of the Board of Directors, agrees to assume responsibility for any of these items. The foundation is entitled to require that the donor provide proof of payment of those expenses for which the donor is responsible. The foundation reserves the right to inspect the property from time to time to assure that its interest is properly safeguarded.

G. Non-designated gifts

From time to time the foundation receives donations that are not designated for a particular endowment fund. The following policy governs the handling of these types of donations.

Guidelines

These donations will be placed in the Carberry and Area Community Foundation Community General Fund.

Monitoring: This policy will be reviewed every two years, upon hiring staff or upon changes to the Income Tax Act.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

3.02 Donor Recognition and Stewardship

The foundation will publicly acknowledge all donations unless the donor wishes to remain anonymous. A thank you message will accompany all receipts.

Donors creating funds will receive copies of the foundation's annual report. The foundation does not publish the amount of a specific donation, except in circumstances approved in advance by the donor.

The foundation honours donors' and prospective donors' requests to:

- limit the frequency of contact;
- not be contacted by telephone or other technology;
- receive printed material concerning the organization; and
- discontinue contact.

The foundation will not share or sell its donor list with other organizations. The privacy of donors will be respected.

Donor records maintained by the foundation will be kept confidential to the extent possible.

Donors will have the right to see their donor record and to challenge its accuracy.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

3.03 Fundraising

All fundraising activities conducted by or on behalf of the foundation must:

- be truthful,
- accurately describe the organization's activities,
- disclose the organization's name,
- disclose the purpose for which funds are requested,
- disclose the organization's policy with respect to issuing Official Income Tax receipts including any policy on minimum amounts for which a receipt will be issued; and,
- disclose, upon request, whether the individual or entity seeking donations is a volunteer, an employee or a contracted third party.

The foundation does not make claims that cannot be upheld or are misleading. The foundation does not exploit our beneficiaries. We are sensitive in describing those we serve (whether using graphics, images or text) and fairly represent their needs and how these needs will be addressed.

Any fundraising materials distributed by or on behalf of the foundation must include our address or other contact information. Persons, whether the staff of the organization or of a third-party consultant or contractor retained by the foundation, soliciting or managing solicitation of receipted donations to

the foundation shall not be paid commissions, finder's fees or percentage compensation based on such contributions.

Anyone seeking or receiving funds, on behalf of the foundation, whether a volunteer, employee or contracted third party must:

- act with fairness, integrity, and in accordance with all applicable laws;
- cease contacting a prospective donor who states that they do not wish to be contacted;
- disclose immediately to the organization any actual or apparent conflict of interest or loyalty; and,
- not accept donations for purposes that are inconsistent with the organization's mission.

The Board regularly reviews the cost-effectiveness of the organization's fundraising activities. No more will be spent on administration and fundraising than is required to ensure effective management and resource development.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

3.04 Donor's Rights

The Carberry and Area Community Foundation believes that all donors have the following rights:

- To be informed of the Foundation's mission, of the way the Foundation intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the Foundation's governing Board, and to expect the Board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the Foundation's most recent financial statements and annual report.
- To be assured that gifts will be used for the purposes for which they were given.
- To be assured that information about donations is handled in accordance with the Privacy Policy of the Foundation and consistent with provincial and federal Privacy Legislation.
- To have the right to see their donor record and to challenge its accuracy.
- To receive appropriate acknowledgement and recognition as per Foundation policy, and, if requested by the donor, to remain anonymous.
- To expect that all relationships with individuals representing the Foundation will be professional in nature.
- To be informed whether those seeking donations are volunteers or employees of the Foundation.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.
- To receive an official receipt for income tax purposes within thirty (30) days for the amount of the donation and for non-monetary eligible gifts (or gifts-in-kind), to receive an official receipt that reflects the fair market value of the gift in accordance under the provisions of the Income Tax Act (Canada) or its successor.
- To receive, upon request, the Foundation's registration number as assigned by Canada Revenue Agency (CRA), any information contained in the public portion of the Foundation's most recent Foundation Information Return as submitted to CRA, and a copy of the Donors' Rights Policy.
- To be encouraged to seek independent advice from experts as deemed necessary by the donor to ensure they understand the consequences/impact of the proposed gift on the donor's financial position, taxable income, or relationship with other family members.

- To receive a timely response from either a designated staff member or Foundation designate to a complaint about any matter that is addressed in this Donor's Rights Policy.
- A complainant who remains dissatisfied following identification of a complaint related to this Donor's Rights Policy shall be informed that they may appeal in writing to the Chair of the Board or designate, and shall be advised in writing of the disposition of the appeal.
- To be assured that the amount of their donation is not publicly disclosed without their consent.
- To be assured that recognition mechanisms created due to a gift shall not be arbitrarily changed or withdrawn. Unless otherwise negotiated at the time of the gift or changed through a joint agreement between the organization and the donor or legal representative, the original form of the recognition mechanism will be maintained. If the mechanism cannot be physically retained, it will be changed to another consistent with the original agreement. If continuation of the recognition creates a reputational risk for the organization, it may be terminated or altered.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

SECTION 4: GRANT MANAGEMENT

4.01 Granting

Funding: Except under special circumstances approved by the Board of Directors, grants will be funded solely by investment income. Available granting amount will be determined at the annual budget meeting.

Committee: The Grants Committee will consist of the entire Board of Directors, or a committee elected by the Board of Directors

Application Review: The Grants Committee will review submitted applications, and evaluate using the board-developed grant review matrix, prior to making decisions as a group.

Proactive Granting: The Board of Directors, when possible, will consider “getting ahead of the ask” and provide grants to organizations in need, prior to receiving an application.

Documentation: The Grants Committee will ensure necessary paperwork is completed by grant applicants/recipients, such as; Declaration of Affiliation, Agreement, Acquittal.

Non-qualified applicants: When possible, providing a Declaration of Affiliation has been completed, the Foundation will grant to a non-qualified applicant (non-profit organization) via a sponsoring Registered Charity/Qualified Donee.

Monitoring: This policy will be reviewed every two years or when there is a significant change in granting procedures.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

SECTION 5: GENERAL

5.01 Special Leadership Initiatives

The community foundation has multiple roles and responsibilities – for fund development, grantmaking and community leadership. To be effective, we need to ensure that adequate financial and human resources are committed to carry out our responsibilities in each area. This policy recognizes the need to assess existing and new opportunities in our community with regard to foundation resources and strategic priorities. When the foundation is invited to participate in a community initiative, the Board of Directors must consider the following when making its decision:

- Is the initiative consistent with the foundation’s mission, vision and strategic priorities?
- Does this initiative advance an opportunity for fund development or granting?
- What is the impact on the foundation’s resources if the foundation participates in the initiative?
- If the initiative requires the use of discretionary (unrestricted) funds, would such use have a detrimental effect on the foundation’s discretionary grants programs?
- What are the potential risks and benefits (ex. public relations, credibility)?
- Will the initiative eventually be weaned from the foundation’s participation, and if so, what is the plan?
- How will the success of the initiative be evaluated?
- How urgent is the initiative and what is the timeline?

Monitoring: This policy will be reviewed every two years or when there is a significant change in the foundation’s unrestricted endowed and/or flow-through funds.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

5.02 Community Representation and Media Communications

The Board Chair is the official spokesperson on behalf of the Foundation on matters relating to policy and community leadership. The Executive Director is the official spokesperson on behalf of the Foundation on operational matters. Depending on the nature of the community leadership initiative, consideration will be given by the Chair and the Executive Director/CEO on delegating this responsibility, as long as any statements made are consistent with Foundation policy and practices.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

5.03 Electronic Communications Security

The Foundation is bound by the requirements of all relevant Provincial and Federal legislation, including but not limited to the Personal Information Protection and Electronic Documents Act, (“PIPEDA”), Canadian Anti-Spam Legislation (CASL) or such other legislation as may apply from time to time. The Foundation will comply with all associated Guidelines established by the Canada Revenue Agency (“CRA”) as amended and/or updated from time to time.

PIPEDA and CRA guidelines govern how the Foundation collects, uses and discloses personal information in the course of commercial business (which includes fundraising). This may include electronic newsletters, email communications, and other contact with Foundation stakeholders.

CASL guidelines govern how the Foundation communicates with stakeholders to ensure all communications and electronic documents are not perceived by recipients to be “spam”, defined as any electronic commercial message sent without the express consent of the recipient(s). The Foundation shall only collect, use or disclose Information in accordance with CASL, PIPEDA and any related CRA guidelines and with the express consent of the recipient.

The Foundation shall immediately honor any request from a recipient to be removed from its circulation or mailing list.

Monitoring: This policy will be reviewed every two years or when legislation changes.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

5.04 Record Retention

The purpose of this policy is to ensure the records and documents of the Foundation are adequately protected and maintained and to ensure records that are no longer needed by or are of no value to the Foundation are discarded at the proper time. The Executive Director/CEO shall include the list of proposed dispositions in a report to the Board for review and approval prior to destruction.

This policy also provides clarification to employees so they understand their obligations in retaining electronic documentation which includes e-mail, web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other word processing formatted files. The Foundation’s record retention policies are based on a combination of legal requirements, Foundation by-laws, and the desire to keep records for historical purposes as determined by the Foundation.

Legal requirements:

The legal requirements on record retention are found in the Income Tax Act and Canada Revenue Agency (“CRA”) applicable guidelines. Consideration should be given to the Personal Information Protection Electronic Documents Act (“PIPEDA”). PIPEDA enforces the appropriate collection of data from donors, stakeholders, employees, and volunteers to ensure only information required for their function is collected and held only as long as it is required and with the permission and knowledge of the individuals.

Monitoring: This policy will be reviewed every two years.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.

5.05 Disaster Recovery

The Board is obligated to ensure a disaster preparedness plan is reviewed annually and meets the goals of this policy. In the case of a disaster, the Foundation must be able to:

- Continue critical business functions.

- Inform staff, volunteers, board members, key donors, vendors and the community at large of the disruption.
- Protect assets and vital records.
- Provide assurance to all stakeholders of the security of Foundation assets.

Disaster Preparedness Plan

In the case of a disaster, Board members shall make reasonable efforts to be available for emergency meetings, conference calls and approvals. In the event of a disaster, the Executive Director or Chief Executive Officer (“CEO”), in collaboration with the Board Chair, will be responsible for leading the Foundation’s response, including but not limited to:

- Assist in the establishment of an alternate office site if required.
- Ensuring the Foundation’s office, and business functions, are returned to normal operations as quickly as possible
- Develop and implement a communications plan for the purpose of providing assurance to the Board, to Foundation stakeholders and to the larger community.
- Develop a plan and notify key stakeholders including board members, donors, grantees, suppliers and the media of the interruption to operations and strategies that will be taken to address the interruption.
- Recover computer and telephone technology (hardware and software). Copies of vital documents are backed up regularly and stored off-site.
- Coordinate paperwork required by insurers to initiate claims.
- Maintain daily cash funding for any essential business processes.
- Prepare and maintain a cumulative cost report for the event.
- Maintain payroll.
- Ensure easy access to necessary capital.

Monitoring: This policy will be reviewed every two years or following a disaster.

Board Acceptance: This policy was approved/reaffirmed at the May 17, 2022 Board meeting.