

Gift Acceptance

Gifts of Appreciated Securities (GASs)

1 General

This policy is based on the most recent rules and guidelines available from the Canada Revenue Agency concerning the administration of gifts of appreciated securities.

2 Types of securities

ELFEC will accept the following as gifts-in-kind, through transfer to its investment account:

- Publicly traded common or preferred shares;
- Transferrable bonds and debentures;
- Units of income and royalty trusts;
- Units of mutual funds.

3 Beneficiaries

ELFEC will accept GASs for its own use and on behalf of the following:

3.1 The Eastern Synod.

3.2 Congregations of the Eastern Synod.

3.3 Waterloo Lutheran Seminary.

3.4 Lutheran Homes Kitchener-Waterloo (operating Trinity Village Care Centre).

3.5 Eastern Synod outdoor ministry sites:

3.5.1 Camp Mush-a-Mush

3.5.2 Lutherlyn Camp and Conference Centre.

3.5.3 Edgewood Camp and Conference Centre.

3.6 Lutheran Campus Foundation of Ontario.

3.7 Other registered charities that have been approved by the Board of Directors.

4 Donors

ELFEC will accept GASs from any donor provided that the gifts are intended for one or more of the beneficiaries listed herein.

5 Fees

ELFEC will deduct an administrative fee of \$100 per transfer, plus \$25 per cheque issued to other beneficiaries, from the net proceeds of the sale of the securities.

6 Donation receipts

ELFEC will provide an official donation receipt to the donor of a GAS.

6.1 Amount

The amount of the receipt is the fair market value of the securities on the date they are received by ELFEC.

6.1.1 Date of receipt

The date of receipt is the date the securities are received in the ELFEC investment account, as determined by ELFEC's investment manager.

6.1.2 Valuation

6.1.2.1 For most securities, the fair market value is the closing bid price on the date the securities are received by ELFEC.

6.1.2.2 In rare cases, for example where shares are thinly traded or the gift consists of a large block of shares in relation to the total shares outstanding, the fair market value is equal to the actual proceeds of the sale of the securities. Such a value may not be determinable until some time after the date the shares are received.

7 Use

7.1 If ELFEC is the beneficiary of the gift and if ELFEC's investment manager determines that they will be a valuable addition to the investment portfolio, the securities will be retained.

7.2 In all other instances the securities will be sold on the open market.

7.2.1.1 In most cases, the shares will be sold as soon as possible after they are received.

7.2.1.2 In rare cases where the immediate sale of the complete block of securities could adversely affect the price received, the investment manager will sell them in a prudent manner and in a way that maximizes the value received, at the earliest reasonable opportunity.

8 Proceeds

8.1 If ELFEC is the beneficiary of the gift, the net cash proceeds (minus all fees) will be deposited in the investment account for use by the investment manager under the terms of the Investment Policy.

8.2 If some other charity is the beneficiary, ELFEC will send a cheque for the net proceeds to the beneficiary at its earliest convenience.

8.3 Any holding gain or loss, resulting from a change in the price of the donated security between the date of receipt and the date of sale, will be reflected in the net proceeds.

9 Confidentiality

ELFEC will not reveal the identity of the donor to the beneficiary without the donor's consent.

10 Administration

ELFEC will make securities transfer forms available to donors and their financial advisors via mail, email and the ELFEC website.