



POLICY CONCERNING GIFT ACCEPTANCE & RECEIPTING

Effective Date: June 27, 2008

Originating Office: Office of Vice-President,
Advancement and Alumni
Relations

Supersedes/Amends Policy dated: IR-1 - November 14, 1998

Policy Number: VPAAR-1

SCOPE

This policy governs the acceptance and financial administration of most types of gifts from sources such as corporations, associations, foundations, and individuals, including University faculty, staff and students, made in support of existing or new initiatives at the University.

This policy encompasses all fundraising activities conducted by the University or by any entity authorized by the University.

PURPOSE

This policy is established to ensure that:

- informed decisions are made with respect to the acceptance of gifts and that all requirements pursuant to the *Income Tax Act* and other legislated requirements are met;
- efficient administrative and accounting practices and procedures are followed in accordance with those established by the University;
- gifts made to the University and its affiliated organizations are reported accurately;
- policies and procedures are applied consistently when dealing with donors.

DEFINITIONS

For the purposes of this policy:

Gift is a voluntary transfer of money or physical property carrying with it no rights, privileges, benefits or advantages for the donor nor any obligation for the transfer of results. A Gift is for the benefit of the University. It may, however, be assigned to a unit of the University normally with a view of carrying out a particular program or project.

Pledge is a promise to make a voluntary transfer of money or physical property at a specified future date.

A *Deed of Gift or Deed* is a document signed by a donor offering or accompanying a Gift to the University. The purpose of the Deed is to affect the transfer of property as a Gift. Included in the Deed, or accompanying it, should be an outline of the terms and conditions under which the Gift has been offered and accepted. In the case of endowments, an Endowment Agreement serves as a Deed of Gift. Such Deeds have proven invaluable as a record of the expectations and undertakings at the time of the Gift and also form the basis for the stewardship of the Gift.

Gifts in Kind are donations of property other than cash-based Gifts. Examples include, without limitation, real property (such as donations of land, buildings, equipment, furniture, works of art, library materials, equipment, operating supplies, etc.) as well as marketable securities (stocks, bonds, term deposits, Guaranteed Investment Certificates, etc.).

POLICY

Gift Eligibility

1. Gifts eligible for acceptance by the University include, but are not restricted to:
 - i. Cash donations (outright Gifts of cash, cheques, credit cards, electronic fund transfers, payroll deductions);
 - ii. Gifts-in-Kind (shares, bonds, artwork, cultural property, and other assets);
 - iii. Life insurance policies;
 - iv. Bequests.

Gift Acceptance

2. The University may elect to accept or decline any Gift. The final decision to accept or decline a Gift valued at up to \$1 million rests with the Vice-President, Advancement and Alumni Relations. Where a particular Gift may be contentious, he/she shall decide whether it is necessary to consult with the President and with the Advancement Committee of the Board.
3. Ownership of all Gifts directed to the University rests in the University or its Foundation, whether said Gifts are for the benefit of the University generally or for a specific purpose.
4. The negotiation and development of terms and conditions relating to Gifts is to be coordinated through the Office of Advancement & Alumni Relations (OAAR).
5. In cases where the Gift will lead to the establishment of an endowed fund (bursary, scholarship, program, chair, endowment, etc.), a formal Deed of Gift is

required. In other cases, a letter outlining the Gift's designation and payment terms will suffice.

6. Throughout this process, OARR shall seek appropriate counsel from the relevant department and administrative offices to ensure that:
 - the proposed Gift is consistent with institutional and legislated regulations and guidelines;
 - the donor's intent and direction is consistent with institutional objectives and priorities;
 - the donor's intent and direction is clearly understood and documented;
 - the proposed Gift does not expose the University to a potentially significant liability;
 - if precedent-setting or sensitive issues are present, they are adequately assessed by the appropriate institutional authorities;
 - the proposed Gift has received the appropriate institutional review and approval.

Gift Limitation

7. Donors may direct a donation to a particular program or department. A charitable receipt will be issued provided the use of the funds rests with the University and is available for the benefit of participants of the program or department. In some cases, donors may direct their Gift to historically disadvantaged groups and, for example, set up bursaries for single mothers, cultural minorities as long as the proposed terms are in accordance with all legislated regulations and guidelines.
8. Charitable receipts cannot be provided where:
 - the donor receives any direct personal benefit under the arrangement;
 - the donor stipulates the recipient, in the case of an award;
 - proprietary rights or entitlement accrues to the donor through the use of the funds.

Note that the above is not an exhaustive list of circumstances where the University cannot issue tax receipts.

9. When conditions placed on a proposed Gift of \$1 million and more are judged to be administratively difficult or not in the University's best interests, the Vice-President, Advancement and Alumni Relations, in consultation with other University officials, including the President and the Advancement Committee of the Board, may request that the terms of the proposed Gift be revised or recommend that the Gift be declined.

Eligible Gifts

10. Gifts of cash may be in the form of cash to a limit of \$1,000 from any one individual or corporate entity at one time. Cheques, electronic fund transfers, credit card transactions or other cash transfer mediums accepted by the University shall be forwarded to the OARR for recording and processing.
11. Gifts-in-Kind may be received and held by the University and used for purposes consistent with its objectives, or may be disposed of at any time after the donation, provided no such agreement to the contrary is made between the donor and the University. The Gift must be of use to the University, or it should be available to be disposed of and the proceeds directed, in support of academic, research or general programs, or as outlined and agreed to between the University and the donor.
12. All Gifts-in-Kind must be offered by the donor in writing in advance, and conditionally accepted in writing in advance by the relevant Department Chair/Unit Head as well as the relevant Dean/Director. Such Gifts shall be accepted only after a thorough review indicates that the property is either readily marketable or needed by the University in support of academic, research or general programs.
13. The Gift will be completed by the execution and delivery of a Deed of Gift or other form of conveyance acceptable to the University and delivery of the property.
14. In the case of Gifts-in-Kind, donors are to be advised that an appraisal is required for the issuance of a charitable receipt and that any costs associated with the appraisal and the conveyance and delivery of the Gift are to be borne by the donor unless the University agrees exceptionally to defray these costs.
15. In the case of Gifts-in-Kind, the amount of the receipt shall be based on the fair market value of the property on the date of the Gift. If the fair market value is expected to be \$1,000 or less, a qualified staff member may perform the appraisal. If the fair market value is expected to be more than \$1,000, a professionally accredited outside appraisal is required. Gifts in excess of \$100,000 will require two independent appraisals. Such appraisals are to be done at arms length from the donor and the University. If there is difficulty in finding a second independent appraiser or the second appraisal entails an unreasonable expense in relation to the property, the second appraisal may be done by a qualified staff member. Final acceptance of the appraised value of the Gift must be approved by the Office of the Vice-President, Finance, the whole in accordance with all the relevant CRA provisions.

16. Gifts of marketable securities will be receipted based on the closing price on the date at which the physical share certificate is transferred or on the date at which the shares are received electronically by the University's broker. Where the shares are received electronically and they are sold the same day, the value of the receipt will be the gross proceeds received. Any gain or loss subsequently realized upon liquidation will be allocated to the particular gift designation/fund in question.
17. Gifts of marketable securities are processed through the OAAR which shall normally sell the securities as soon as legal title is transferred to the University.
18. Donors may donate to the University new or existing life insurance policies. Where the University is the owner and beneficiary of the policy, a receipt for tax purposes may be issued to the donor for the annual premium payments, and for the cash surrender value of the policy at the date of the Gift based on guidelines established by *Income Tax Act*.
19. Bequests paid to the University qualify as charitable Gifts. Official receipts for tax purposes will be issued to the estate of the deceased upon transfer of the assets to the University.
20. Gifts of cultural property are governed by specific legislation and regulations which the OAAR will apply in addition to University policies.
21. The Canadian Cultural Property Export Review Board is responsible under the *Cultural Property Export and Import Act* for certifying that an object is of such "outstanding significance and national importance that its loss to Canada would diminish the national heritage". The Board also has the legal responsibility for determining the fair or market value of objects it certifies. This determination takes the form of approving the appraisals provided by the University and/or donor. It is the University, as the recipient institution, that must make the application to the Board.
22. Under the *Cultural Property Export and Import Act*, there are certain tax advantages gained by the donor. To be eligible to have cultural property certified, an institution has to be designated as either a class "A" institution (permanent) or a class "B" institution (granted for a specific gift). The University has two permanent class "A" repositories of cultural property. They are:
 - The Leonard and Bina Ellen Art Gallery; and
 - The Concordia University Libraries.
23. A Gift of exceptional items, such as immovable property and virtual property rights (e.g. royalties) shall be reviewed by the Vice-President, Advancement and Alumni Relations and the President's Office on a case-by-case basis.

Issuing Charitable Tax Receipts

24. At present, every Gift must be made to or payable to the University.
25. The OAAR is the only University department authorized to issue official charitable tax receipts. The signature on the tax receipt bears the name of the Vice-President, Finance.
26. All charitable receipts must be issued in compliance with the *Income Tax Act*. A charitable donation must be a voluntary transfer of property which is made without expectation of benefit to the donor or to anyone designated by the donor.
27. Donations that are not deemed to qualify as Gifts according to the *Income Tax Act* will be acknowledged through the appropriate acknowledgement letter. No charitable tax receipts will be issued.
28. Only qualifying Gifts of ten dollars or more will be entitled to a charitable tax receipt.
29. Charitable tax receipts acknowledging a Gift will be dated in the calendar year in which the Gift is received. Charitable tax receipts for a Gift received on or after January 1 but bearing a post-mark prior to the end of the preceding calendar year should be dated December 31 of the preceding year.
30. Charitable tax receipts will only be issued in the name of the individual(s) or entity making the Gift.
31. The University reserves the right to decline to provide a Charitable tax receipt in connection with any Gift or donation.

Pledge Recognition

32. Pledges are only recorded in the Advancement Information System when full payment or settlement is expected at some time in the future. There must be a document, either a letter of intent from the donor to the University or from the University in the form of a formal pledge/donor agreement outlining the pledge commitment for the pledge to be recorded. Exceptions to the recording policy are pledges received through organized phonathons or the Telefundraising Program which require pledge reminders to be generated in the day or days following the telephone pledge.

Adopted by the Board of Governors on June 27, 2008