

 <b>DALHOUSIE UNIVERSITY</b> <b>Gift Acceptance Policy</b>	<i>Policy Sponsor:</i> Board of Governors	<i>Approval Date:</i>
	<i>Responsible Unit:</i> Office of Advancement	<i>Revisions:</i>

**A. BACKGROUND AND PURPOSE**

The University recognizes that philanthropic support is vital to advancing its mission and enhancing its programs and services, and it welcomes gifts from individuals and organizations. The University is committed to ensuring that its gift acceptance policy and procedures accord with its high ethical standards and commitment to the fundamental values of institutional autonomy and academic freedom.

The Gift Acceptance Policy creates a framework for the review and acceptance of gifts to the University and any of its affiliates while ensuring:

- a) the University’s reputation, autonomy and academic freedom is protected;
- b) the University maintains transparent and ethical relations with donors; and
- c) the University handles gifts in compliance with the requirements of any applicable legislation or regulation.

**B. APPLICATION**

The Gift Acceptance Policy applies to the solicitation and acceptance of gifts on behalf of the University, and applies to every unit of the University and any person authorized by the University to solicit gifts.

The Policy applies to gifts in the form of research grants from foundations or other charitable organizations but does not apply to research grants from other types of organizations.

**C. DEFINITIONS**

In this Policy:

- a. “Canadian cultural property” means property of outstanding significance and national importance to Canada which is eligible for special tax status under Canadian tax legislation.

- b. "Charitable gift" means a voluntary transfer of money or property for which the donor expects and receives nothing of value in return, and is eligible for a receipt under the *Income Tax Act*.
- c. "Charitable gift annuity" means an arrangement that enables a donor to make an immediate gift and receive income for life for either themselves or a designated beneficiary.
- d. "Charitable remainder trust" means a gift that pays income to individual beneficiaries for life or a term of years and then distributes the remaining assets to one or more charities.
- e. "Cash-equivalent" means cheques, credit card payments, pre-authorized payment plans, electronic funds transfer, or payroll deductions.
- f. "Estate gift" means a gift for which the University is the beneficiary of a donor's will, life insurance policy, registered account or trust.
- g. "Gift" means a voluntary transfer of money or property or a voluntary provision of service for which the donor does not receive value in return.
- h. "Gift Acceptance Committee" means the committee established pursuant to section E 3.
- i. "Gift in kind" means a non-cash gift and includes artwork, equipment, personal property or cultural property.
- j. "Fair market value" means the highest price that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed and prudent, and who are acting independently of each other, excluding any amounts paid or payable to other parties such as sales agents, or sales taxes such as HST and/or PST.
- k. "Non-charitable gift" means a donation that does not qualify as a "gift" under the definition of the Canada *Income Tax Act*, and is not eligible for a receipt under the *Income Tax Act*, and includes a donation of service; a contractually binding agreement between the University and a business entity in which the donor providing financial support gains commercial or marketable benefits through association with the University; sponsorship of campus research projects for which the donor retains right of property, including intellectual property.
- l. "Publicly-traded securities" means securities traded on a stock exchange designated under the Canada *Income Tax Act*.

#### D. POLICY

1. Solicitation and acceptance of gifts by or on behalf of the University or any of its academic, service or support units shall be made in accordance with this Policy and Procedures and any approved guidelines and protocols.
2. The Office of Advancement must be consulted by faculty, staff, students, alumni, volunteers and other representatives wishing to raise funds for the University prior to preliminary discussions with potential donors.
3. The University may accept the following types of gifts:
  - a. Cash or cash equivalent
  - b. Gifts in kind
  - c. Publically traded securities
  - d. Estate Gifts
  - e. Life insurance policies
  - f. Charitable remainder trusts
  - g. Charitable gift annuities
  - h. Canadian cultural property
4. The University may choose to accept or decline any gift.
5. The University shall not accept a gift when a condition of such acceptance would:
  - a. compromise its reputation, ethical standards, institutional autonomy or academic freedom;
  - b. violate any law or expose the University to unacceptable liability;
  - c. be unreasonably onerous to administer;
  - d. undermine the University's commitment to diversity and inclusiveness;
  - e. jeopardize the University's registered charity status; or
  - f. give the donor or someone designated by them with any special consideration, such as employment at the University, enrollment in a University program, the award of a University procurement contract, influence over University appointments, research programs, curriculum or admissions.
6. The Office of Advancement is the only unit authorized to issue tax receipts on behalf of the University for charitable gifts to the University and its academic, service and support units.
7. Gift agreements or other documentation requiring a university signature to support the gift shall be signed in accordance with the Board Document Execution/Contract Signing Authority Policy.
8. The University does not provide legal, tax or financial advice to donors. Donors are encouraged to obtain independent professional advice, at their own cost, before entering into a commitment to make a gift to the University.

9. Information concerning transactions between a donor and the University shall be held by the University in strict confidence and may be publicly disclosed only with the permission of the donor, or as required by law.
10. The Vice President Advancement has the authority and responsibility to develop operational guidelines and protocols to support the gift acceptance process which shall be subject to the approval of the Gift Acceptance Committee.

#### **E. ADMINISTRATIVE STRUCTURE**

1. This Policy falls under the authority of the Board of Governors.
2. The Office of Advancement, under the direction of the Vice President Advancement, is the unit responsible for the administration of this policy.
3. There shall be a Gift Acceptance Committee comprising:
  - a. Vice-President Advancement (Chair)
  - b. Vice President Finance and Administration or designate
  - c. Provost and Vice-President Academic or designate
  - d. Vice-President Research or designate
  - e. General Counsel or designate
4. The Gift Acceptance Committee shall be responsible for:
  - a. approving guidelines and protocols to support the gift acceptance process as recommended by the Vice-President Advancement;
  - b. advising the Vice-President Advancement on whether to accept a gift that may have unusual characteristics or conditions or where the donor seeks an advisory role in a project or program, as referred by the Vice-President Advancement.
5. The Vice-President Advancement shall deliver an annual report to [whom/] at the end of each fiscal year which will include: \_\_\_\_\_
6. This Policy will be reviewed no later than by the end of the third year of its operation.

## F. PROCEDURES

1. The Office of Advancement will coordinate the negotiation and development of terms and conditions for a gift agreement, and will consult with representatives of the potential receiving faculty, department, unit or affiliate during the gift acceptance process to ensure:
    - a. the proposed gift is consistent with this Policy, any institutional requirements and any applicable legislation and regulations;
    - b. the donor's intent and direction is consistent with the University's mission and priorities;
    - c. the donor's intent and direction is clearly understood and documented;
    - d. the gift does not expose the University to potential liability;
    - e. the proposed gift has received the appropriate University review and approval.
  2. The Office of Advancement will request advice from other university units as appropriate to address any insurance, legal or other issues that may be posed by the particular gift.
  3. Where the proposed gift has any unusual characteristics or conditions or where the donor seeks to provide an advisory role in the project or program the Vice President Advancement may refer the matter to the Gift Acceptance Committee for consideration and advice.
  4. Prospective donors requesting anonymity shall be advised by Advancement that their names, and the nature and amount of their gifts, will be disclosed as follows:
    - a. In accordance with legislative requirement records are maintained by the Office of Advancement. Access to these records is restricted to appropriate staff within that office;
    - b. The University will comply with any legal obligation to disclose the names of donors and the nature and value of their gifts;
    - c. The identity of a donor requesting anonymity may be provided to the Board of Governors verbally if the Board so requests. Such information will not be included in the minutes of the meetings nor used by Board members or officers outside the meeting of the Board, except as may be required by applicable laws
  5. The Office of Advancement will issue charitable tax receipts in compliance with Canada Revenue Agency requirements.
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**GIFT ACCEPTANCE GUIDELINES**

**A. TYPES OF GIFTS**

**1. Cash or Cash Equivalent**

- a) The University accepts gifts of cash, credit card payment, pre-authorized payment plans, payroll deduction, electronic funds transfer or cheque, as one-time, monthly or annual gifts.
- b) University employees make significant contributions to the many academic, research, student and other program initiatives at the University using the donation options available, including gifts through payroll deduction. Such donations may be directed to a particular program or department.

**2. Gifts in Kind**

- a) The University will accept a gift in kind when the gift can be retained as a University asset and used in connection with University activities, with discretion as to its use and management, or when it can be disposed of for cash or cash equivalent with proceeds to be used to support the University's mission at the discretion of the University.
- b) Administration of a gift in kind, including its disposition, generally resides with the Unit that will benefit from the gift in kind, in consultation with the Office of Advancement.
- c) Costs of administration are normally paid from the operating or other budget of the Unit that will benefit from the gift in kind. If a gift in kind is sold, any outstanding administrative costs may be recovered from the sale proceeds.
- d) Where a donor has requested conditions be placed on a gift in kind, such as restrictions on sale leasebacks, life interests, life estates or in cases where the asset is difficult to appraise, the Office of Advancement will consult with the University Comptroller and the University's General Counsel as appropriate.
- e) The approach to valuation for a charitable receipt of a gift in kind, other than publicly-traded securities and Canadian cultural property, is as follows:

- i) A gift in kind normally requires valuation for issuance of a charitable receipt.
- ii) For a gift in kind of \$1000 or less a qualified University employee who is knowledgeable in the field of the donation can appraise the fair market value of the gift in kind, and an official charitable receipt shall be issued based on the appraisal. The appraiser shall be arm's length from the donor.
- iii) For a gift in kind over \$1000, an independent appraisal must be retained at the expense of the donor. A charitable receipt can be issued based on the appraisal.
- iv) A contribution of service (for example, the donation of time, skills or effort) does not qualify as a gift or gift in kind for the purpose of issuing official donation receipts.

## **2. Canadian Cultural Property**

- a. The University must apply on behalf of the donor to the Canadian Cultural Export Review Board to have the donation certified as Canadian cultural property. The Review Board, pursuant to its own guidelines, determines the appraised value, which the University must use for official charitable receipt purposes.
- b. To qualify for special tax status, a gift to the University of Canadian cultural property must be made to the Library or the Art Gallery.
- c. While only the Library and the Art Gallery may receive Canadian cultural property for special tax treatment, no Unit is precluded from accepting a gift eligible for a regular charitable receipt that might otherwise have qualified as Canadian cultural property.

## **3. Publicly-Traded Securities**

- a. It is the University's general practice to sell securities immediately upon receipt. The University reserves the right to hold shares or to sell securities over a period of time if the University determines that regular trading volume is not sufficient to absorb the securities without significantly adversely affecting their value.
- b. Official charitable receipts will be issued based on the closing value of the securities on the date when the gift is received in the University account.
- c. A gift transferred electronically from a broker's account to the University is received on the date the gift is received and deposited to Dalhousie's account.
- d. A donor holding share certificate(s) may donate the shares to the university by mailing an unendorsed certificate and a signed stock or bond power form in separate envelopes, by certified mail. A bank or the donor's broker should guarantee the signature on the stock or bond power and sign their name as it exactly appears on the security.

- e. Share certificates can be re-registered in the name of Dalhousie University and forwarded by registered mail. If the donor's broker holds the certificate, the donor must notify the broker in writing what shares are to be transferred to University.

#### **4. Estate Gifts**

- a. The Office of Advancement Planned Giving unit will review the terms of the will or other estate gift documentation. The Planned Giving unit will consult with the University's General Counsel where appropriate.
- b. All notifications and correspondence regarding estates, copies of wills and probate documents must be forwarded to the University's Office of Advancement Planned Giving unit.

#### **5. Early Consultation For Non-Standard Gifts**

If considering a gift to the University that is uncommon in nature, University employees should consult with the Vice President, Advancement or designate early in discussions with the potential donor. For example, such consultation is required where proposed gift:

- a) may fall within section 5 of the Gift Acceptance Policy;
- b) raises questions as to whether a gift fits within the role and mission of the University;
- c) is from an individual or organization whose beliefs and principles could be considered inconsistent with the values and principles of the University;
- d) may expose the University to an uncertain liability;
- e) may be perceived to come from illegal activities;
- f) involves a proposal to name an asset of the University;
- g) involves giving through instruments that are otherwise non-conventional.

#### **B. REASONS FOR REFUSAL OF GIFTS**

Examples of reasons for the refusal of a proposed gift include but are not limited to:

- a) the gift falls within section 5 of the Policy;
- b) the gift does not sufficiently align with the University's mission, vision, or academic priorities;
- c) the gift is from an individual or organization whose philosophy and values could be considered inconsistent with those of the University;
- d) the gift may have come from illegal or unethical activities;

e) the gift is too narrowly restricted.

### C. CHARITABLE RECEIPTS

1. A charitable receipt will be issued for charitable gifts provided that the use of the gift rests with the University and the benefit of the gift is available for the benefit of all participants of the program or department where applicable.
2. Charitable receipts cannot be provided in a number of situations, including when:
  - a. the donor receives any direct personal benefit under the arrangement. (CRA regulations and guidelines do not allow registered charities to issue a tax receipt where the donation is used to confer a benefit of any kind to the donor)
  - b. the donor has signing authority over the use of the funds;
  - c. the donor stipulates an individual recipient;
  - d. the use of the funds is restricted to specific individuals;
  - e. participation in a program or activity is limited to the donor(s);
3. Contributions of service (time, skills or efforts) is considered a non-charitable gift and hence does not qualify for a charitable receipt.
4. Where donors receive some value in exchange for the gift, the gift is considered a non-charitable gift or a contract and hence does not qualify for a charitable receipt.  
Examples of value include:
  - a. Commercial gain (such as services, products)
  - b. Marketing opportunities
  - c. Intellectual property rights
  - d. Special consideration (such as employment, influence over enrollment/appointments)
  - e. Procurement opportunities