

## POLICY CONCERNING GIFT ACCEPTANCE AND RECEIPTING

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**Effective Date:** April 15, 2020

**Approval Authority:** Board of Governors

**Supersedes /Amends:** December 12, 2018

**Policy Number:** VPA-1

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### 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 (as defined below) and that all requirements pursuant to the [Income Tax Act, RSC 1985, c 1 \(5th Supp\)](#) 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, the following definitions shall apply:

“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 also be designated to a unit of the University normally with a view of carrying out a particular program or project.

A “Gift Agreement” is a document or deed signed by a donor offering or accompanying a Gift to

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the University. The purpose of the Gift Agreement is to affect the transfer of property as a Gift. Included in the Gift Agreement, or accompanying it, should be an outline of the terms and conditions under which the Gift has been offered and accepted. Such Gift Agreements 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 to keep the donor informed of the Gift's impact.

"Gifts-in-Kind" are donations of property and tangible assets, other than cash-based Gifts. Examples include, but are not limited to, immovable property (such as donations of land, buildings, etc.), moveable property (such as equipment, software, furniture, works of art, library materials, operating supplies, cultural property, etc.), as well as marketable securities (stocks, bonds, term deposits, Guaranteed Investment Certificates, etc.).

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

### POLICY

#### Gift Eligibility

1. Gifts eligible for acceptance by the University include, but are not restricted to:
  - a. Cash donations (outright Gifts of cash, cheques, credit cards, electronic fund transfers, payroll deductions);
  - b. Gifts-in-Kind;
  - c. Deferred Gifts (such as bequest, life insurance policies, retirement plan asset, charitable remainder trust, etc.).

#### Gift Acceptance

2. The University may elect to accept or decline any Gift. All Gifts will be transferred to the Office of University Advancement (UA) for gift processing and issuance of a tax receipt. In exceptional or contentious circumstances, the final decision to accept or decline a Gift valued at up to \$1 million rests with the Vice-President, Advancement, and the final decision to accept or decline a Gift valued at more than \$1 million rests with the President.

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In such cases where a particular Gift may be contentious, the Vice-President, Advancement shall consult with the President and any other person who they deem appropriate in the circumstances; and, in the case of a contentious Gift valued at more than \$1 million, the President shall consult with any person who they deem to be appropriate in the circumstances.

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. Except in particular circumstances, for example, Gifts of books and archives to the Library and/or to the Records Management and Archives Department, the negotiation and development of terms and conditions relating to Gifts is to be coordinated through UA.
5. In cases where the Gift is in the amount of \$25,000 or more, a formal Gift Agreement is required. In cases where the amount is less than \$25,000, a donation transmittal form and/or an internal memorandum will suffice.
6. Throughout this process, UA shall seek appropriate counsel from the relevant department and administrative offices to ensure that:
  - a. the proposed Gift is consistent with institutional rules as well as federal and provincial laws, regulations and guidelines, including, for example, taxation, employment, human rights, equity, anti-bribery, anti-money laundering and anti-terrorism legislation;
  - b. the donor's intent and direction is consistent with institutional objectives and priorities;
  - c. the donor's intent and direction is clearly understood and documented;
  - d. the proposed Gift does not expose the University to potentially significant liability or reputational harm and must not jeopardize the University's status as a registered charity;
  - e. if precedent-setting or sensitive issues are present, they are adequately assessed by the appropriate institutional authorities;

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- f. 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 that the use of the funds rests with the University and is available for the benefit of participants of the program or department, and that all other requirements set forth in the applicable legislation, regulations and governmental guidelines are met. In some cases, donors may direct their Gift to historically disadvantaged groups as long as the proposed terms are in accordance with all applicable legislated regulations and guidelines.
8. Charitable receipts cannot be provided when:
  - a. the donor receives any direct personal benefit under the arrangement (other than Canada Revenue Agency (CRA) - recognized split interest gifts);
  - b. the donor stipulates the recipient, in the case of an award;
  - c. proprietary rights or entitlement accrues to the donor through the use of the funds.

The above examples are not an exhaustive list of circumstances where the University cannot issue tax receipts.

9. When conditions placed on a proposed Gift are judged to be administratively difficult or not in the University's best interests, the Vice-President, Advancement, in consultation with other University officials including the President, 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 UA for recording and processing.

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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 Gift Agreement 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, but less than \$25,000, the Vice-President, Advancement shall require that the fair market value be assessed by a professionally accredited appraiser unless, they are of the opinion that there is a staff member who is qualified to effect the appraisal in question, in which event, the qualified staff member shall prepare the fair market appraisal. If the fair market value is expected to be more than \$25,000, the Vice-President, Advancement shall require that the fair market value be assessed by a professionally accredited appraiser. Such appraisals prepared by professionally accredited appraisers are to be done at arm's length from the donor and the University.
16. In some cases, a second appraisal may be deemed necessary by the University to confirm the fair market value of a Gift. If there is difficulty in finding a second independent

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- appraiser or the second appraisal entails an unreasonable expense in relation to the property, the Vice-President, Advancement may agree to the second appraisal being prepared by a qualified staff member. Final acceptance of the appraised value of the Gift must be approved by the Office of the Chief Financial Officer, the whole in accordance with all the relevant CRA provisions.
17. 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.
  18. Gifts of marketable securities are processed through UA, which shall normally sell the securities as soon as legal title is transferred to the University.
  19. Donors may donate to the University new or existing life insurance policies, retirement plan assets, charitable remainder trusts, or charitable gift annuities.
  20. Bequests paid to the University qualify as charitable Gifts. Official receipts for tax purposes will be issued to the donor/trust/estate of the deceased according to the terms of the will and related governmental policies.
  21. Gifts of cultural property are governed by specific legislation and regulations, which UA will apply in addition to University policies.
  22. The Canadian Cultural Property Export Review Board is responsible under the [\*Cultural Property Export and Import Act, RSC 1985, c. C-51\*](#) for certifying that an object or a class of objects is of such outstanding significance and national importance that it may not be exported from Canada "in order to preserve the national heritage in Canada". The Board also has the legal responsibility for determining the fair 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.

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23. 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 three permanent class "A" repositories of cultural property: the Leonard and Bina Ellen Art Gallery; the Concordia University Library; and the Concordia Cinema Collection (Visual Collections Repository – Faculty of Fine Arts).
24. A Gift of exceptional items, such as immovable property and virtual property rights (e.g. royalties) shall be reviewed by the Vice-President, Advancement on a case-by-case basis.
25. The University has adopted *Gift Counting Guidelines*, which contain additional guidance and direction. These guidelines may be updated by the University as deemed necessary.

### Issuing Charitable Tax Receipts

26. At present, every Gift must be made to or payable to the University.
27. UA is the only University department authorized to issue official charitable tax receipts. The signature on the tax receipt bears the name of the Chief Financial Officer.
28. 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 subject to split interest gifts under the terms of the [Income Tax Act](#).
29. 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.
30. Only qualifying Gifts of ten dollars or more will automatically be issued a charitable tax receipt. Gifts of less than ten dollars will be issued a charitable tax receipt upon request. Notwithstanding the foregoing, Gifts of books or archives to the Library and/or to the Records Management and Archives Department, which are valued at less than 100 dollars, will not receive a tax receipt.
31. Charitable tax receipts acknowledging a Gift will be dated in the calendar year in which

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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, are dated December 31 of the preceding year.

32. Charitable tax receipts will only be issued in the name of the individual(s) or entity making the Gift.
33. The University reserves the right to decline to provide a charitable tax receipt in connection with any Gift or donation.

### Pledge Recognition

34. 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/Gift 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.
35. The overall responsibility for the implementation and recommended amendments to this Policy shall rest with the Vice-President, Advancement.

Adopted by the Board of Governors on June 27, 2008 and amended on February 4, 2010; September 30, 2010; December 14, 2016; December 12, 2018 and April 15, 2020.